

002

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 66312
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Citation Oil & Gas Corp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address P O Box 690688 Houston, Texas 77269-0688		8. Lease Name and Well No. Walker Hollow Unit #86
3b. Phone No. (include area code) 281-517-7800		9. API Well No.
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface SW NW SE 3541' FSL & 2085' FWL Latitude: 40 14' 27.60" Longitude: 109 16' 38.72" At proposed prod. zone NW SE 3541' FSL & 2085' FWL		10. Field and Pool, or Exploratory Walker Hollow Green River
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* +/- 27.5 miles East of Vernal Utah		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 1, T7S, R23E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1750 +/-	16. No. of Acres in lease 3277.2	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 850 +/-	19. Proposed Depth 5356 +/-	20. BLM/ BIA Bond No. on file MT 0630
21. Elevations (Show whether DF, RT, GR, etc.) 5231	22. Approximate date work will start* 2004	23. Estimated Duration 8 Days
24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:		

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the authorized officer. |
|--|---|

25. Signature 	Name (Printed/ Typed) Sharon Ward	Date 24-Mar-03
Title Regulatory Administrator		
Approved By (Signature) 	Name (Printed/ Typed) 	Date
Title Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

WALKER HOLLOW UNIT NO. 86
APD INFORMATION
~~SE NW~~, Sec. 1, T-7-S, R-23-E
~~SE NW~~ Uintah County, Utah

1. The geologic name of the surface formation: Quaternary Alluvium.
2. The estimated tops of important geological markers:

Green River (G.R.)	2891'
G.R. Du 5	4626'
G.R. Du 6	4846'
G.R. Du 7	4936'
G.R. Du 8	5151'
G.R. Du 8c	5261'
G.R. Du 8d	5306'
G.R. DL1A	5336'
G.R. K	5366'
Total Depth	± 5356'

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered:

Fresh Water	Surface - 4626'.
Oil and Gas	4626' - TD.

4. Proposed casing program:

<u>String</u>	<u>Depth Interval</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>
Surface	0 - +/-400'	8 5/8"	24#/ft, J-55	New
Production	0 - ±5356'	5 1/2"	15.5#/ft, J-55	New

5. Minimum specifications for pressure control equipment:
 - a. Blowout preventers – Refer to Exhibit "A" for description of BOP stack and choke manifold.
 - b. Wellhead Equipment – Slip-on weld type with a 5000 psi rated working pressure. See Exhibit "B"
 - c. BOP Control Unit – Unit will be hydraulically operated and have at least 3 control stations.
 - d. Testing – When installed on the 8 5/8" surface casing, the BOP stack will be tested to a low pressure (200-300 psi) and a high pressure to 2100 psi. Casing rams will be tested in like manner when installed prior to running production casing. An operational test of the blow-out preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.

6. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>
0' - Surface Casing Seat	Fresh Water Spud Mud-Air drill if possible
Surface Casing Seat - 2800'	GYP/Water. No Fluid loss control. 8.4 - 8.7 ppg.
2800'-TD	GEL/CHEM. Fluid loss 8-12CC's. 8.7 - 9.5 ppg

7. Auxiliary Control Equipment:

- a. Kelly Cocks: Upper and lower installed on kelly.
- b. Safety Valve: Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times, in open position for stabbing into drill pipe when kelly is not in the string.
- c. If available, a trip tank will be used during the drilling of the production hole to insure the hole is full.

8. Testing, Logging, and Completion Programs:

- a. Logging: Caliper – SFL – DIL – GR from base of surface casing (BSC) – TD.
CNL – LDT – GR from BSC – TD.
Microlog from BSC – TD.
RFT – Approximately 20 pressure samples and 1 reservoir fluid sample
- b. Maximum bottom hole formation pressure is anticipated at 2,200 psi based off formation pressure data acquired within the area through running Repeat Formation Testing Logs.

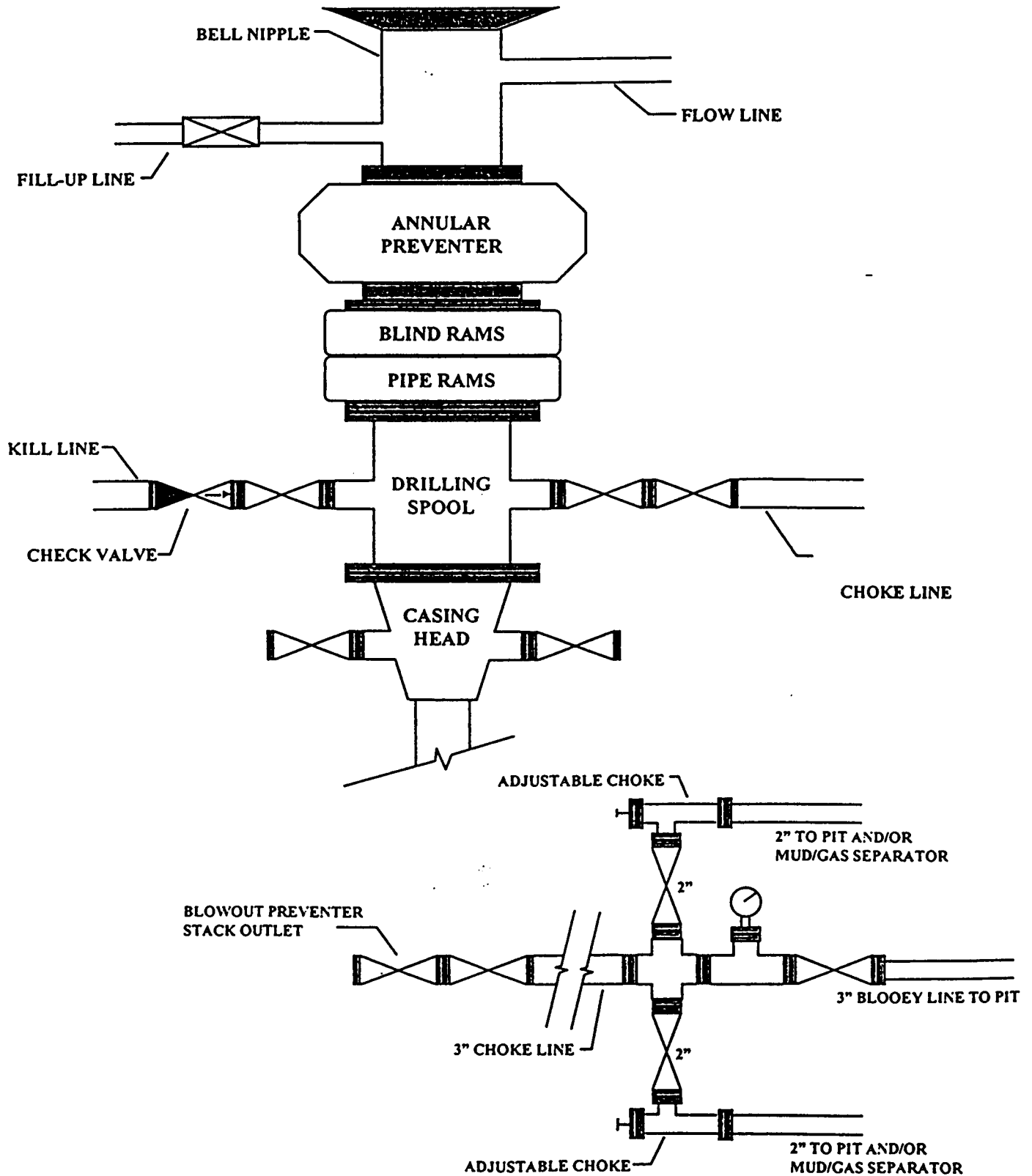
Completion – Formation: Green River – Zones: Du 8c, Du 8d, and DL1A.

Anticipated Completion Procedure: Selectively perforate from log analysis, acidize perforations with a 7 1/2% - 15% HCl acid, evaluate inflow performance, then sand fracture as deemed necessary for optimal commercial production.

- c. Production method: Rod pump through 2 7/8" tubing.
9. Hydrogen sulfide (H₂S) should not be encountered, and no H₂S hazards are anticipated. The well may be subject to offset waterflood pressure maintenance and therefore may require higher mud weights to control higher formation pressures from injection.
10. Starting date of drilling operations will depend on rig availability. It is anticipated that drilling and completion operations will occur between June through October in 2004.

EXHIBIT "A"

TYPICAL 3,000 PSI MINIMUM REQUIREMENTS BLOWOUT PREVENTER AND CHOKE MANIFOLD SCHEMATIC



I. GENERAL INFORMATION

WELL NAME: WALKER HOLLOW UNIT #86

AREA: WALKER HOLLOW UNIT

SURFACE LOCATION: 3541' FSL & 2085' FWL
SE NW, SEC. 1, T-7-S, R-23-E
UINTAH CO., UT

BOTTOM HOLE LOCATION: 3541' FSL & 2085' FWL
SE NW, SEC. 1, T-7-S, R-23-E
UINTAH CO., UT

OPERATOR: CITATION OIL & GAS CORPORATION

ENGINEER: JOHN LONG
OFFICE: (307) 682-4853
CELL: (307) 689-3406
HOME: (307) 682-5482

CLASSIFICATION: DEVELOPMENTAL VERTICAL

ELEVATION (GR): 5,231' - ungraded, 5,228' - graded

ESTIMATED DEPTH: 5,356' MD

ESTIMATED DRILLING TIME: 8 DAYS

OBJECTIVE: PRIMARY: GREEN RIVER (OIL)

WELL OBJECTIVE

The Walker Hollow Unit #86 is planned as a vertical test well drilled to the Green River Formation at an estimated total depth of 5,356'. It is classified as a development well.

A 12 1/4" surface hole will be drilled to $\pm 400'$, then 8 5/8", 24# surface casing will be set and cemented to surface in accordance with State of Utah/BLM requirements. The production casing will be 5 1/2", 15.5#, J-55 to be set at $\pm 5,356'$. Lost circulation problems may be encountered from the top of the Green River formation at $\pm 2,891'$ to TD.

The surface hole to $\pm 400'$ is intended to be air-drilled using fresh water as needed. The production hole from $\pm 400'$ to $\pm 2800'$ will be drilled with fresh water using viscous sweeps to clean the hole. From $\pm 2800'$ to $\pm 5,356'$ (TD), the hole will be drilled with a gel-polymer fluid of 8.7 - 9.5 ppg to control fluid loss and provide adequate cleaning.

II. OPERATIONAL DRILLING PROGRAM

Construct the location and reserve pit per pad layout plat in the APD. Set 14" conductor pipe at $\pm 15'$ with a 6' diameter culvert to accommodate the drilling of the surface hole.

A. 12 1/4" Hole: 8 5/8" Casing (surface to $\pm 400'$)

Drill solids: 1 - 2%

Solids control: Reserve/blooiie pit

Fluid system: Air drill/fresh water.

- Notify the BLM and other proper authorities 24 hours prior to spud.
- Air drill a 12 1/4" hole to $\pm 400'$. Foam up if necessary.
- At TD, pump a high viscosity pill & circulate the hole clean. TOH.
- Run 8 5/8", 24 #/ft J-55 ST&C casing to TD and cement according to the attached program. (See D. below)
- Notify proper authorities (at least 24 hours prior to testing) about testing the BOPE.
- WOC a minimum of 4 hrs. Cut off 8 5/8" casing and install casing head. Cut casing off so that the top of the 8 5/8" casing head is at or slightly below ground level.
- Install BOPE, manifold, and control lines. Pressure test the casing head, blind rams, pipe rams, manifold, and 8 5/8" casing to 2100 psi. Pressure test annular preventer to 1500 psi.
- WOC a minimum of 12 hours prior to drilling the float equipment.

*Note: Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

B. 7 7/8" Hole: 400' - $\pm 2,800'$.

Mud weight: 8.3 - 8.7 ppg

Drill solids: 1 - 2%

Solids control: Reserve pit

Fluid system: Fresh water W/appropriate viscosity and flocculent additives.

- Drill out of the 8 5/8" casing with fresh water.
- Use viscous sweeps whenever necessary to ensure adequate hole cleaning while drilling with water.
- Keep the drilled solids to a minimum by using a selective flocculent.
- Use sweep treatments of drilling detergent to provide lubricity and minimize bit balling.
- Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

C. 7 7/8" Hole: $\pm 2,800'$ - $\pm 5,356'$.

Mud weight: 8.7 - 9.5 ppg

Drill solids: 4 - 6%

Solids control: Adjustable linear shaker, Centrifuge, Mud Cleaner.

Fluid system: Mud up with a polymer-gel system.

- Mud up with a polymer-gel system. Use caustic soda to achieve a 9.0 - 9.5 pH.
- Additional fluid loss control will be required in this interval. Use fluid loss additives as necessary to maintain the API fluid loss at 8 - 10 cc's/30 min or less.
- Sloughing may become problematic in this interval. If this occurs, reduce the API fluid loss further.
- Run all available solids control equipment to maintain the mud weight and keep solids as low as possible.
- Lost circulation will be problematic when mudded up. Pre-treating with 15 - 25% fibrous LCM is recommended prior to drilling below 3000'.
- The anticipated mud weight of this well is 8.7 - 9.5 ppg, but allow the hole to dictate the mud weight required. Penetrated intervals may be affected by the local waterflood and a higher mud weight may be required.
- For lost circulation, use pill treatments of 25 - 35% fibrous LCM. To fight lost circulation, pull up four stands and while moving pipe, spot a 15 - 20 ppb pill of varied size LCM. Allow the pill to sit and heal the zone prior to drilling ahead.

***NOTE: At $\pm 4000'$, notify COGC geology to come to location to choose TD based from mud log sample analysis. The "K" sequence of the Green River formation must not be penetrated!**

D. Proposed Casing Design and Cement:

- **Surface Casing: Surface - $\pm 400'$, 8 5/8", 24 #/ft, J-55, ST&C.**
Cement: 20 BBLs pre-flush containing 4 sx Gel followed by 225 sx Class "A" cmt containing 2% CaCl₂ + .25 #/sk Flocele mixed at 15.6 ppg.

- 1. Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
- 2. Float shoe & insert float collar connections need to be thread locked prior to RIH.**
- 3. Run centrizers: 1 on float shoe jt, 1 on jt above FC, 1 @ $\pm 200'$, then 1 on second to last jt from surface while RIH.**
- 4. Install cmt head. RU cement service. Test lines to 500 psi.**
- 5. Pump 1 BBL lse wtr spacer. Mix & pump cmt according to service company's recommendations.**
- 6. Pump plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

- **Production Casing:** Surface – +/-5,356', 5 1/2", 15.5 #/ft, J-55, LT&C.
Cement: CSG WILL BE ROTATED BUT NOT RECIPROCATED DURING JOB! Lead system: 155 sx of lightweight grade (11 ppg or less) cmt with recommended additives. Tail system: 210 sx of 50:50 Pozmix class "G" + 10% salt + 2% Bentonite Gel + 0.2% Anti-foamer. Cement volumes may vary based upon hole caliper logs.

1. **Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
2. **Run two jts of csg between float shoe & FC.**
3. **All connections from float collar (FC) down need to be thread locked & tack welded prior to RIH.**
4. **Run positive standoff Turbolizer type centrizers: 2 on float shoe jt & 2 on jt below FC utilizing stop collars to evenly space the centrizers on each jt, then 1 per jt in unproductive intervals or 2 per jt in productive intervals for the next 20 jts, then 1 every 5th jt to +/-30 jts from surface. RIH.**
5. **Install cmt head & swivel. RU cement service. Test lines to 5000 psi. Circ 1 1/2 times csg - hole annular volume to break back mud system.**
6. **Pump 5 BBLs lse wtr spacer. Mix & pump cmt according to service company's recommendations. Rotate pipe throughout cementing. Do not reciprocate pipe.**
7. **Drop plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

E. Anticipated Bit Program:

1. 12 1/4" IADC Bit #111 – Surface hole to +/-400'.
2. 7 7/8" IADC Bit #517Y, 400 - 3,200'.
3. 7 7/8" IADC Bit #527Y, 3,200 - 4,800'.
4. 7 7/8" IADC Bit #527Y, 4,800 - 5,356'.

SURFACE USE PLAN: WHU #86

Citation Oil & Gas Corporation-Walker Hollow Unit

Well WHU #86: 3541' FSL & 2085' FWL, ^{NE}SE NW, Sec. 1, T-7-S, R-23-E, Uintah County, Utah

1. EXISTING ROADS – See enclosed survey package.
 - A. See enclosed survey package for the proposed well site as staked.
 - B. From Vernal, go south-easterly on Highway 45 approximately 21 miles, then easterly approximately 2.6 miles to Red Wash, then approximately 2.2 miles north-easterly to the Walker Hollow field, then on oil field roads approximately 5 miles to the proposed location.
 - C. See enclosed survey package for the new access road to be built:
Approximately 1600' of new road will be needed to access Well #86
 - D. See enclosed survey package for the existing roads within a one-mile radius.
 - E. No improvements of existing roads will be required as the roads are being maintained in the oil field.
2. PLANNED ACCESS ROADS – See the enclosed survey package for the new access road.
 - A. The road will be a minimum of 16' wide.
 - B. The maximum grade will be 12 percent or less.
 - C. No turnouts are anticipated.
 - D. Drainage structure will be installed where necessary.
 - E. Two culverts will be required.
 - F. The road will be graveled where necessary.
 - G. There will be no gates, cattle-guards, or fence cuts.
 - H. The proposed access road has been staked.
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS – See enclosed survey package for well numbers and locations.
 - A. Water wells – none.
 - B. Abandoned wells – WHU #'s: 78, 79, & WHF #1-6.
 - C. Temporarily Abandoned Wells – none.
 - D. Disposal Wells – none.
 - E. Drilling Wells – WHU #'s: 84, 85, & 87.
 - F. Producing Wells – WHU #'s: 15, 21, 25, 38, 43, 45, 46, 47, 52, 54, 55, 63, 64, 76, & 77.
 - G. Shut-in Wells – WHU #'s: 30, 44, & 58.
 - H. Injection Wells – WHU #18.
 - I. Monitoring or Observation Wells for Other Resources – none.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES –
 - A. Existing facilities are greater than a one-half (1/2) mile radius from the proposed location.
 1. Satellite Tank Battery – SE SW, Sec. 1, T-7-S, R-23-E.
Tank Battery #2 – SW SE, Sec. 12, T-7-S, R-23-E.
 2. Production facilities are located at the tank battery sites.
 3. Oil and Gas gathering lines, injection lines, and disposal lines where needed are laid along the existing or proposed roads to existing lines or tank battery sites.

4. The oil and gas gathering and fuel supply lines will be laid as shown in the enclosed survey package. These routes may serve for future use for injection or disposal lines.

Flowline: The flowline route will extend from the wellhead along the proposed access road then tie into the existing flowline system servicing WHU #46. The total anticipated pipeline length is estimated at +/-1,950' as shown in the enclosed survey package. The line will be a surface line constructed from 2", schedule 40 steel line pipe and laid in conjunction with 2 – 1 1/4", schedule 40, steel heat tracing lines. All three lines will be wrapped with insulation that will subsequently be wrapped in colored tin in accordance with BLM guidelines.

Fuel Line: The fuel line route will mirror the flowline route and will also be approximately +/-1950' in length. The line will be a surface line constructed from 2", SDR 7, polyethylene pipe.

- B. Citation Oil & Gas Corporation will make adjustments to enlarge existing tank batteries servicing the proposed location to accommodate the additional production if necessary.
- C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

5. LOCATION AND TYPE OF WATER SUPPLY -

- A. Water will be hauled over existing roads or piped alongside existing and proposed roads from the water flood plant or water flood distribution system. The water flood plant is located about 1.75 miles south of the proposed location.

1. Fresh water will be hauled in through contract trucking (DALBO, Inc. – water permit number 53617, telephone number 435-789-0743)

- B. No new roads will be needed for the water supply.

6. SOURCE OF CONSTRUCTION MATERIALS - Contractor will furnish gravel and haul from a source outside the area.

7. WASTE DISPOSAL –

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. (In the event of a dry hole, pumpable liquid on the surface of the pit will be injected into the well to shorten the pit drying time.)
- C. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from site.
- D. Sewage from trailer houses will be collected in a sewage tank. The tank will be cleaned and the contents disposed of at an approved location as determined by the sewage service provider. Portable toilet facilities will also be provided for the rig crews. Waste removal and disposal will be handled by a professional sewage service and disposal provider.
- E. Trash, waste paper, and garbage will be contained in trash baskets covered with small mesh wire to prevent wind scattering. Trash will be hauled from location and disposed of in approved landfill facilities.

- F. When the rig moves out, all trash and debris left on location will be removed and disposed of appropriately.
8. ANCILLARY FACILITIES – No camps, airstrips, etcetera, will be constructed.
9. WELLSITE LAYOUT –
- A. See enclosed survey package for the proposed well-site layout.
 - B. Included in the proposed well-site layout are: the proposed location of mud tanks, reserve pit, trash baskets, pipe racks, other major rig components, living facilities, stockpile, and turn-in from access road.
 - C. Mud pits in the active circulating system will be steel pits, and the reserve pit is proposed to be lined.
10. RESTORATION OF SURFACE –
- A. Upon completion of the operation and removal of any trash or debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. The drill-site surface will be re-shaped to combat erosion and stockpiled topsoil will be distributed to the extent available. Prior to leaving the drill-site upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
 - B. Citation Oil & Gas Corp. will rehabilitate the road as per BLM requirements.
 - C. Re-vegetation of the drill pad will comply with the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
 - D. Any oil on pits will be removed and taken to the well battery for recovery.
 - E. Rehabilitation operations will start the Spring after completion and finished by the following Fall to the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
11. OTHER INFORMATION –
- A. The proposed well pad is located on clay soil. Other than sparse cedar trees, there is little vegetation.
 - B. There is no surface use other than grazing and hunting.
 - C. There are no major dwellings, archaeological, historical, or cultural sites apparent in the area.
 - D. There are no ponds, streams, or water wells in the area.
 - E. There are no buildings of any kind in the area.
12. OPERATOR'S REPRESENTATIVE – Citation Oil & Gas Corporation's contact personnel regarding compliance with the Surface Use Plan are:

Citation Oil & Gas Corporation
Attn: John Long – Petroleum Engineer
1016 E. Lincoln
Gillette, WY 82716

OR

Office Phone: 307-682-4853
Cell Phone: 307-689-3406
Home Phone: 307-682-5482

Citation Oil & Gas Corporation
Attn: Robert Eye – Field Foreman
P.O. Box 1026
Vernal, UT 84078

Office Phone: 435-790-4406
Cell Phone: 435-790-4406
Home Phone: 435-781-4147

13. CERTIFICATION – I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Citation Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date: 3-23-04

Signed: John R. Long
John Long – Petroleum Engineer
Citation Oil & Gas Corporation



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Land Office
Post Office Box No. 777
Salt Lake City 10, Utah

IN REPLY REFER TO	
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<i>282</i>	L
MAR 26 1959	E
LEASE RECORDS	V
F. B. JORDAN, JR.	F
	L

March 19, 1959

Certified Mail

DECISION

The Carter Oil Company

6-132300
cc. record noted
Shut flayed
A.R. reg. 2
Serial Number
Salt Lake 066312

Subject Oil and Gas Lease Segregated as to
School Lands Affected by Public Law 340, as Amended
Jurisdiction of State Portion of Lease Transferred to State of Utah

Title to a portion of the land in this lease vested in the State of Utah under the Dawson Act, Public Law 340 (68 Stat. 57) as amended. The State has succeeded to the position of lessor as to the State land.

The lessee and the State of Utah are hereby notified that this lease is herewith segregated into two separate leases. The State now has the exclusive right of administration, as lessor, over the lease to the extent it covers land vested in the State. The United States retains exclusive jurisdiction over the lease as to the Federal lands. The Appendix includes a description of the land in each lease as segregated.

The lessee is hereby notified that all future payments or correspondence concerning the segregated State lease shall be made to the Utah State Land Board, 105 State Capitol Building, Salt Lake City. All future payments or correspondence concerning the segregated Federal lease shall continue to be made to the Bureau of Land Management, P. O. Box 777, Salt Lake City 10, Utah.

The State of Utah is notified by an enclosed accounting advice of the allocation of rents or royalties accrued since title vested in the State. Payments already made are not listed. Payment will be made to the State in due course for the balance due.

The right of appeal to the Director, Bureau of Land Management, is allowed in accordance with information in enclosed Form 4-1366 made a part hereof. An appeal filed in accordance with the regulations in attached Form 4-1364 will be properly filed.

Ernest E. House
Manager

Enclosure
Copy to: Utah State Land Board

E. E. House
Acting

(2)
APPENDIX

1. Original Federal Lease

Serial Number: Salt Lake 066312
Date Issued: November 1, 1948
Extended by production

2. Segregated State portion

Title to Land vested under Act of June 6, 1955
Date transferred to State: November 1, 1956
Description of lands:

T. 7 S., R. 23 E., S. 1. Mer., Utah
Sec. 2: Lots 1 thru 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)

883.36 acres

Uintah County

3. Segregated Federal portion

Description of lands:

T. 7 S., R. 23 E., S. 1. Mer., Utah
Sec. 1: Lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Sec. 3: Lots 1 thru 12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Sec. 4: Lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$

1644.97 acres

Uintah County

The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, There are now deposited in the Bureau of Land Management of the United States an application by the State of Utah and a decision of the Land Office at Salt Lake City, Utah, directing that a patent issue to the State of Utah under the provisions of the Act of Congress approved June 21, 1934 (48 Stat. 1185), entitled "An Act Authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the Act approved February 22, 1889, by the Act approved January 25, 1927 (44 Stat. 1086), and by any other Act of Congress," for the following numbered school section lands in place, granted for the support of common schools and the title to which vested in the State of Utah under the Act of July 11, 1956 (70 Stat. 529), upon the date of the act:

Salt Lake Meridian, Utah.

T. 7 S., R. 23 E.,

Sec. 2, All.

The area described contains 883.36 acres, according to the Official Plat of the Survey of the said Land, on file in the Bureau of Land Management:

NOW, THEREFORE, KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of June 21, 1934 and as evidence of the title which was granted to and vested in the State of Utah to the above described land on July 11, 1956, for the support of common schools, as aforesaid, and in confirmation of such title for such purpose, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said State of Utah, and to its assigns, the lands above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, therunto belonging, unto the said State of Utah, and to its assigns forever.

In accordance with subsection (4) of section 1 of the Act of January 25, 1927 (44 Stat. 1086), as amended by the Act of July 11, 1956 (70 Stat. 529; 43 U.S.C. 870 (4) (2)), the State of Utah succeeded to the position of the United States as lessor of oil and gas lease Salt Lake City 066312 at the time the title to the lands described herein vested in the State.

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in the District of Columbia, the ~~NINETEENTH~~ day of ~~MAY~~ in the year of our Lord one thousand nine hundred and ~~SIXTY~~ and of the Independence of the United States the one hundred and ~~NINETEENTH~~.

[SEAL]

For the Director, Bureau of Land Management.

By *Ruth W. Talley*
Chief, Patents Section.

Patent Number 1208696

Form 4-212
(August 1947)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Office Salt Lake City
Serial 066312
NONCOMPETITIVE

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the 7th day of Nov. 1, 1948, by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Pennaken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah;

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas in or under the following-described tracts of land situated in the

- T. 7 S., R. 23 E., S.L.M., Utah;
- sec. 1, lots 9, 10, 11, 12, 8 1/4, 8 1/2;
- sec. 2, all;
- sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 8 1/4, 8 1/2;
- sec. 4, lots 1, 2, 7, 8, 9, 10, 8 1/4, 8 1/2.

ENTRY 95003409
BOOK 597 PAGE 663-669 \$49.00
12-JUN-95 02:57
RANDY SIMMONS
RECORDER, UTAH COUNTY, UTAH
CITATION OIL AND GAS CORP.
8223 WILLOW PLACE SOUTH #250 HOUSTON TX
REC BY: SYLENE ACCUTOROOP, DEPUTY

containing 2,528.33 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations, and maintain at all times thereafter as required by the lessor a bond in the sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease. If a bond in that amount is already being maintained or unless the lessee is an approved operator of the lease is accepted hereby certify that this is a true and correct copy of the official record on file in this office.

Nov 10, 1948

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NONCOMPETITIVEOffice Salt Lake CitySerial 066312 - StateLEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED

WALK - 30807

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the day of **NOV 1 1948** by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Fenneken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah;

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits except helium gas in or under the following-described tracts of land situated in ~~the~~

T. 7 S., R. 23 E., S.L.M., Utah;
sec. 1, lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;
sec. 2, all
sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$;
sec. 4, lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$.

x

x

x

x

x

x

x

x

x

x

containing 2,528.33 ^x acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an approved operator of the lease is accepted.

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 30 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line.

16-60706-1

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(c) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

16-50705-4

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect, within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

16--50705-1

Schedule "A"

RENTALS AND ROYALTIES

Rentals.—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

- (1) For the first lease year, a rental of 50 cents per acre.
- (2) For the second and third lease years, no rental.
- (3) For the fourth and fifth years, 25 cents per acre.
- (4) For the sixth and each succeeding year, 50 cents per acre.

(b) On leases wholly or partly within the geologic structure of a producing oil or gas field:

- (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
- (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty.—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

DALBO INC. / A-1 TANK RENTAL
P. O. BOX 1168
VERNAL, UT 84078
(435) 789-0743
FAX (435) 789-9208

TO: John - Citation

FROM: Bugger

DATE: 10/29/02

TOTAL PAGES SENT: 4

PLEASE NOTIFY US IF YOU DO NOT RECEIVE ALL THE ABOVE
PAGES. OUR FAX NUMBER IS (435) 789-9208.

17. If application is for domestic purposes, number of persons _____, or families _____
18. If application is for municipal purposes, name of municipality _____
19. If application is for other uses, include general description of proposed uses Making Brine Drilling
fluid for drilling oil and gas wells _____
20. Give place of use by legal subdivision of the United States Land Survey for all uses described in para-
graphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 32, T4S, R3E, USB&M
21. The use of water as set forth in this application will consume .015 second-feet and/or acre-
feet of water and None second feet and/ or acre feet will be returned to the natural
stream or source at a point described as follows: _____

Page No. 2

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, }
County of } ss

On the 17th day of August, 1917, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:



Meredith Baldwin
Notary Public

RECEIVED

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.
Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

- 11:55 a.m.
- 17 August 1979 Application received ~~by mail~~ over counter in State Engineer's office by 7/1/3
 - Priority of Application brought down to, on account of
 - 8/23/79 Application fee, \$15.00, received by WLS Rec. No. 04730
 - 9/24/79 Application microfilmed by Roll No. 874-4
 - 9/12/79 Indexed by dph Platted by 10-34-79
(D-4-3) 32-15-2
 - 17 August 1979 Application examined by 7/1/3
 - Application returned, or corrected by office
 - Corrected Application resubmitted by mail over counter to State Engineer's office.
 - 17 August 1979 Application approved for advertisement by
 - OCT 11 1979 Notice to water users prepared by 201810
 - OCT 14 1979 Publication began; was completed NOV 1 1979
Notice published in 1979 11 1979
 - 10/19/79 Proof slips checked by 101810
 - Application protested by
 - 11/5/79 Publisher paid by M.E.V. No. 631210
 - Hearing held by
 - Field examination by
 - 12/14/79 Application designated for approval rejection RFE 5.6.
 - 2/1/80 Application copied or photostated by self proofread by
 - 2/1/80 Application approved
 - Conditions:
- This Application is approved, subject to prior rights, as follows:
- Actual construction work shall be diligently prosecuted to completion.
 - Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82
 -
21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

For Dee C. Hansen, State Engineer

Application No. 53617

**CULTURAL RESOURCE INVENTORY OF CITATION OIL AND
GAS CORPORATION'S 5 WELL LOCATIONS IN
WALKER HOLLOW OIL FIELD, UINTAH COUNTY, UTAH**

Keith R. Montgomery

CULTURAL RESOURCE INVENTORY OF CITATION OIL AND GAS
CORPORATION'S 5 WELL LOCATIONS IN WALKER HOLLOW
OIL FIELD, UINTAH COUNTY, UTAH

By:

Keith R. Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office
and
State Institutional Trust Lands Administration (SITLA)
Salt Lake City, Utah

Prepared Under Contract With:

Citation Oil and Gas Corporation
1016 East Lincoln St.
Gillette, Wyoming 82716

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

March 25, 2004

MOAC Report No. 04-55

United States Department of Interior (FLPMA)
Permit No. 03-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0258b,s

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) for Citation Oil and Gas proposed well locations WHU #83, WHU #84, WHU #85, WHU #86, and WHU #87 in the Walker Hollow Oil Field. The project area is located in and around Walker Hollow, to the north of Red Wash, east of Vernal, Uintah County, Utah. The survey was implemented at the request of Mr. John Long, Citation Oil and Gas Corporation, Vernal, Utah. The project includes a total of 57.2 acres, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 18 and 19, 2004 by Keith Montgomery, under the auspices of U.S.D.I. (FLPMA) Permit No. 03-UT-60122, State of Utah Antiquities Permit (Survey) No. U-04-MQ-0258b,s issued to Montgomery Archaeological Consultants, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Marty Thomas at Utah Division of State History on March 19, 2004. This consultation indicated that several archaeological inventories have been conducted in the vicinity of the project area; no archaeological sites are documented within the project area. Archeological-Environmental Research Corporation (AERC) conducted an archaeological inventory of proposed oil and gas well locations for Exxon Corporation in the Walker Hollow area in 1978, finding no cultural resources (Hauck 1978). In 1979, Nickens and Associates conducted a 10 percent stratified random sampling of the 128,000-acre Red Wash Cultural Resources Study Tract in Uintah County, Utah (Larralde and Nickens 1980). For this study, 320 40-acre parcels were surveyed, resulting in the documentation of 26 archaeological sites. One historic site, the Kennedy Stage Stop (42Un799), of the Uintah Railway System, was recorded. The remaining 25 sites are prehistoric, and include temporary camps, lithic scatters, a lithic and ceramic scatter, and a quarry (42Un795-820). AERC conducted an inventory of a proposed drill pad, access road, tank battery and borrow area in 1980 for Exxon (Hauck 1980a). The proposed tank battery occurs at the location for the current proposed well WHU #84. No cultural resources were found. Also in 1980, AERC evaluated seven proposed well locations in the Walker Hollow Field, finding

no cultural resources (Hauck 1980b). In 1981, AERC conducted archaeological evaluations of five flowline corridors and well location #54 for Exxon Corporation, finding no cultural resources (Hauck 1981a). That same year, AERC conducted an additional five projects pertaining to oil and gas development in the Walker Hollow area (Hauck 1981b, 1981c, 1981d, 1981e, 1981f). These investigations yielded a finding of no cultural resources, with the exception of an isolated find (obsidian secondary flake) documented during the inventory of the Kienitz Federal No. 3 and 4 well locations. AERC in 1984 surveyed a proposed well location in the Walker Hollow Locality (Milsen Federal No. 1) finding no cultural resources (Hauck 1984). In 1986, AERC inventoried a proposed access route between well locations #79 and #80 for Exxon Corporation, finding no cultural resources (Hauck 1986).

PROJECT AREA

Citation Oil and Gas Corporation's proposed well locations WHU #83, WHU #84, WHU #85, WHU #86, and WHU #87 with associated access roads are located in the Walker Hollow Oil Field, Uintah County, Utah (Figure 1). Well location WHU #83 is located in T 7S, R 23E, Section 2, 421 ft FSL and 1849 ft FWL. Well location WHU #84 is located in T 7S, R 23E, Section 1, 1985 ft FSL and 673 ft FWL. Well location WHU #85 is located in T 7S, R 23E, Section 2, 1908 ft FSL and 1996 ft FEL. Well location WHU #86 is located in T 7S, R 23E, Section 1, 3541 ft FSL and 2085 ft FWL. Well location WHU #87 is located in T 7S, R 23E, Section 2, 3087 ft FSL and 750 ft FEL.

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Red Wash occurs within the Central Badlands District of the Uinta Basin, which is an area of broad erosional benches with extensive badland rims along the drainages. The heavily eroded benches and mesas are capped with sand and silt which erode downslope forming areas of sand dunes, sand sheets, and colluvial clays. The elevation of the project area is 5180 to 5380 feet a.s.l.

Specifically, the inventory area is situated in and around Walker Hollow, to the north of Red Wash and Deadman Bench. Geologically, the area includes recent alluvial deposits, older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone. This formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Vegetation in the project area includes juniper, greasewood, shadscale, rabbitbrush, Mormon tea, snakeweed, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

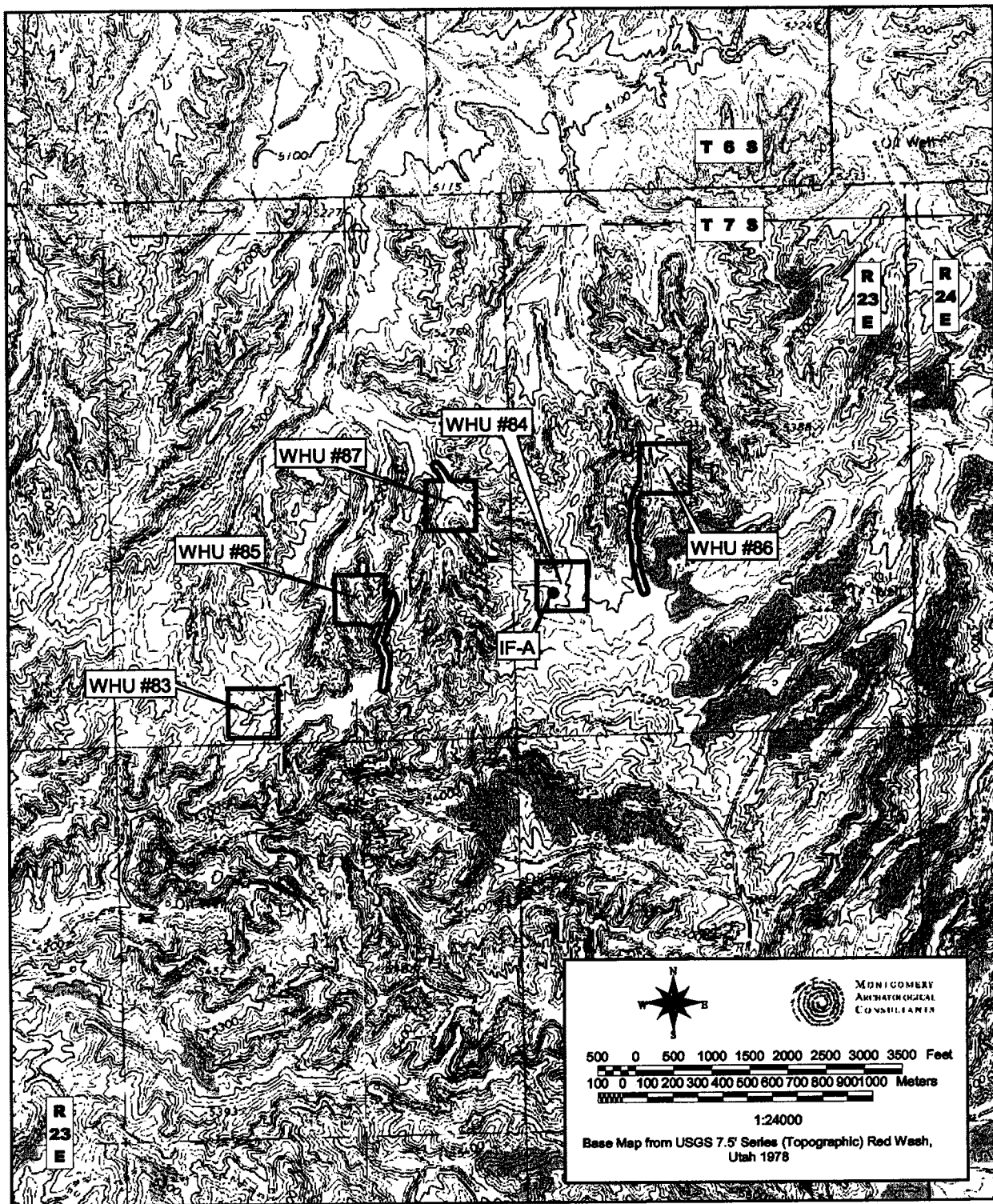


Figure 1. Citation Oil and Gas Corporation's Five Well Locations in Walker Hollow, Uintah County, UT. USGS Red Wash, UT 7.5', 1968.

SURVEY METHODOLOGY

An intensive pedestrian survey was completed for this project which is considered 100% coverage. The survey was performed by Keith Montgomery, Principal Investigator of MOAC. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects. The access road corridors were surveyed to a width of 30 m (100 ft). Ground visibility was considered good. A total of 57.2 acres was inventoried, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

RESULTS AND RECOMMENDATIONS

The inventory of Citation Oil and Gas Corporation's proposed five well locations in Walker Hollow resulted in a finding of one isolated find of artifact within the 10-acre parcel at proposed well location #84. Isolated Find A (IF-A) is a white semitranslucent chert secondary flake exhibiting unifacial use on the slightly convex ventral margin. It measures 4.9x3.6x0.7 cm. The UTM coordinates of IF-A are 646128E/4455212N. Isolated finds are not considered to be eligible cultural resources for inclusion to the NRHP. On the basis of this finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

REFERENCES CITED

Hauck, F. Richard

- 1978 Exxon Corporation-Proposed Oil and Gas Well Locations in Walker Hollow-Red Wash Locality in Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-78-Af-0329b.
- 1980a Cultural Resource Inventory of Drill Pads, Access Roads, Tank Batteries and Borrow Areas in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0472b.
- 1980b Archeological Evaluations of Proposed Well Locations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0474b.
- 1981a Archeological Evaluations of Five Flowline Corridors and Well Location No. 54 in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0632b.
- 1981b Archeological Reconnaissance of Drill Locations and Access Roads in the Fort Duchesne and Walker Hollow Localities of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0578b.
- 1981c Archeological Reconnaissance of Drill Locations and Access Roads in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0631b.
- 1981d Cultural Resource Evaluations in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0634b.
- 1981e Cultural Resource Inventory of a Proposed Flowline in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0636b.
- 1981f Archeological Evaluations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0640b

Hauck, F. Richard

1984 Cultural Resource Evaluation of Proposed Well Location in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-84-Af-0894b

1986 Cultural Resource Evaluations of a Proposed Access Route Between Walker Hollow Units No. 79 and 80 in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-86-Af-0133b,s.

Larralde, Signa L. and Nickens, Paul R.

1980 Sample Inventories of Oil & Gas Fields in Eastern Utah 1978-1979. Utah Bureau of Land Management, Cultural Resource Series No. 5. Bureau of Land Management Utah State Office, Salt Lake City, Utah.

Stokes, W.L.

1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.



Geological Prognosis

(REVISED-March 18, 2004)

Field: Walker Hollow Unit

Classification: Development-Oil

Operator: Citation Oil & Gas

Total Depth: 5356'

Well Name: Walker Hollow Unit #86

Elevation: GL 5228'
KB 5241'

Objective(s): Green River

Geologist: Terry McCance
281-517-7384 (W)
936-321-1967 (H)
281-851-4053 (C)

Backup: Jerry Greer
281-517-7394(W)
281-353-3704 (H)

Location: Uintah County, Utah

Surface: 3541' FSL & 2085' FWL of Section 1, T-7-S, R-23-E.

Estimated Geological Tops:

Correlation Tops:

	<u>This Well</u> <u>WHU #86</u> <u>MD/SS</u>	<u>Type Well</u> <u>WHU #63</u> <u>MD/SS</u>
Green River	2891'(+2350)	3049'(+2316)
G.R. Du 5	4626'(+615)	4758'(+607)
G.R. Du 6	4846'(+395)	4991'(+374)
G.R. Du 7	4936'(+305)	5081'(+284)
G.R. Du 8	5151'(+90)	5288'(+77)
G.R. Du 8c	5261'(-20)	5386'(-21)
G.R. Du 8d	5306'(-65)	5456'(-91)
G.R. DL1a	5336'(-95)	5488'(-123)
G.R. K	5366'(-125)	5518'(-153)
Total Depth	5356'	

Note: TD for the WHU #86 is picked 20' into the DL 1a. High porosity K sandstone is expected at the top of the K sequence, which may prevent a good cement job if communicated due to high water potential in the K sandstone. TD will be picked on location.

Objective Zone:

Du 8c 5261'(-20)
Du 8d 5306'(-65)
DL 1a 5336'(-95)

Expected Production: 50 BOPD 40 MCFGPD 50 BWPD

Expected Formation Pressure (objective zones): Anticipate 0.433psi/ft gradient, some zones may be higher pressure due to injection.

Wellsite Geologist Depth: BSC to TD (Two Man Unit).

DST's: None.

Logging Program:

1. Cali - SFL-DIL - GR from BSC - TD.
2. CNL-LDT - GR from BSC - TD.
3. Microlog - BSC - TD.
4. RFT - Approx. 20 Pressure Samples + 1 Fluid Recovery

Approval: Steve K. Quinn

Date: 3/19/04

CITATION OIL & GAS CORP.

WHU #86

LOCATED IN UINTAH COUNTY, UTAH
SECTION 1, T7S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

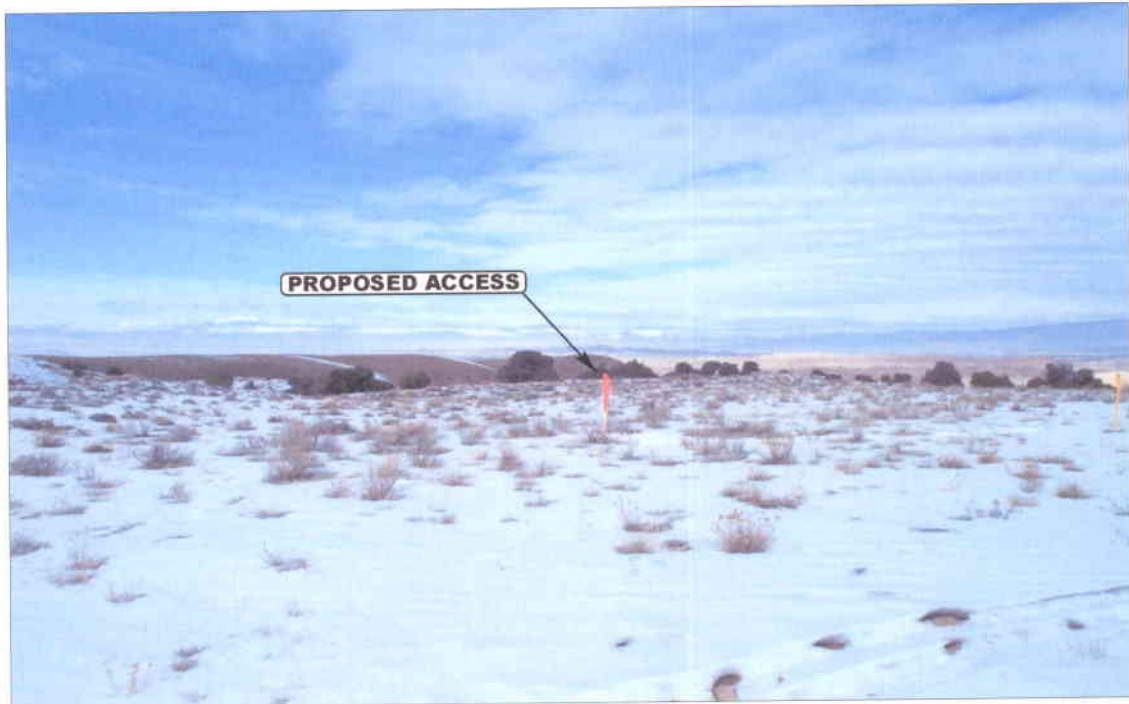


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



Since 1964

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

02 03 04
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: T.H.

REVISED: 00-00-00

UTAH OIL & GAS CORP.

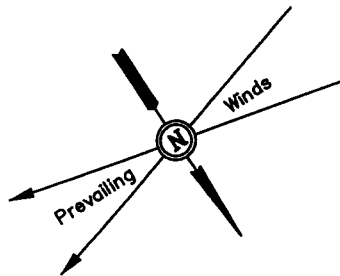
FIGURE #1

LOCATION LAYOUT FOR

WHU #86

SECTION 1, T7S, R23E, S.L.B.&M.

3541' FSL 2085' FWL

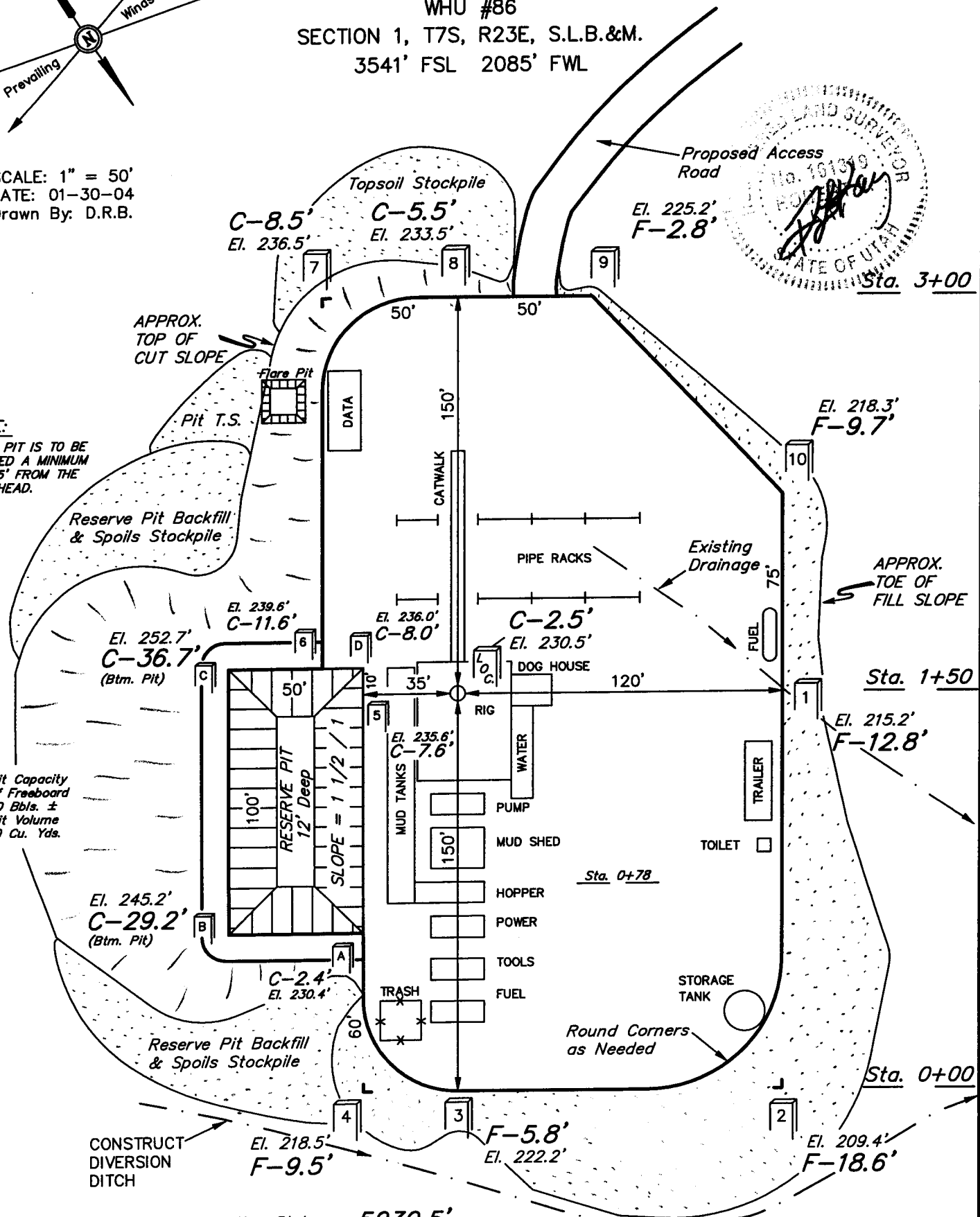


SCALE: 1" = 50'
DATE: 01-30-04
Drawn By: D.R.B.

NOTE:

FLARE PIT IS TO BE LOCATED A MINIMUM OF 125' FROM THE WELL HEAD.

Total Pit Capacity
W/2' of Freeboard
= 4,210 Bbls. ±
Total Pit Volume
= 1,210 Cu. Yds.



Elev. Ungraded Ground at Location Stake = 5230.5'

Elev. Graded Ground at Location Stake = 5228.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

UNITAH OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

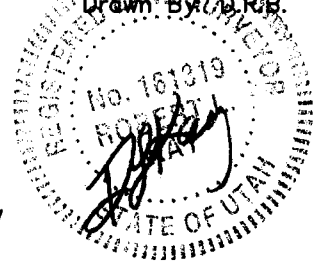
WHU #86

SECTION 1, T7S, R23E, S.L.B.&M.

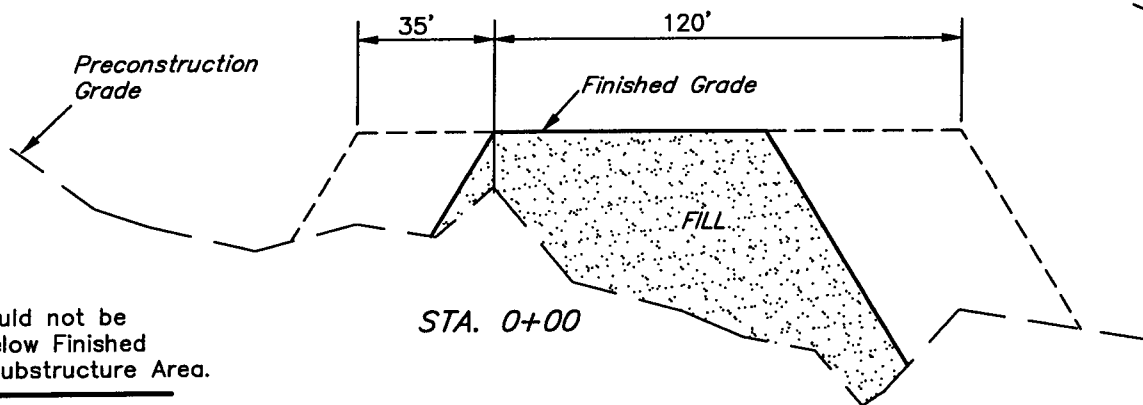
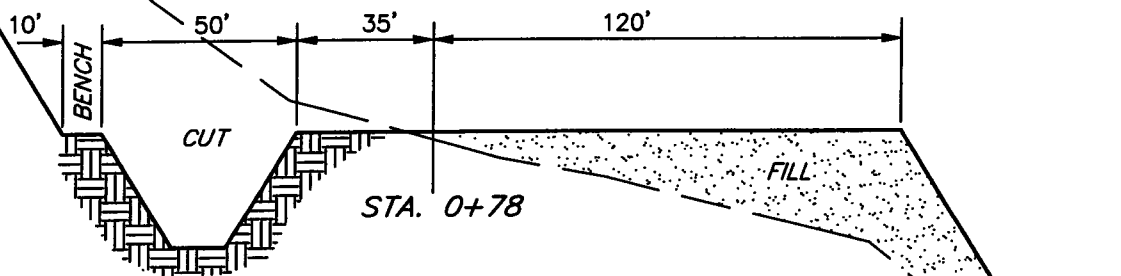
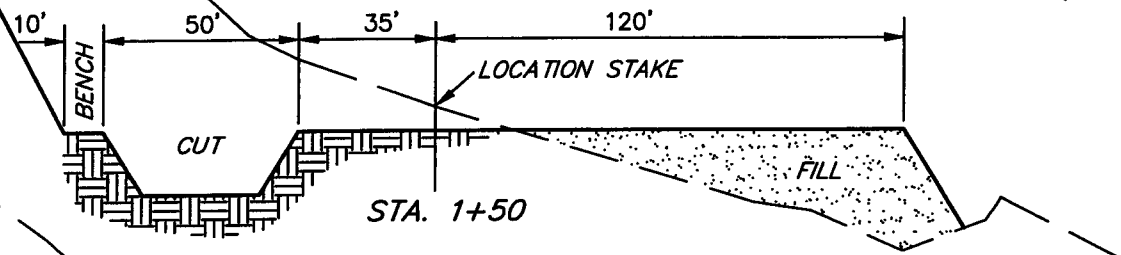
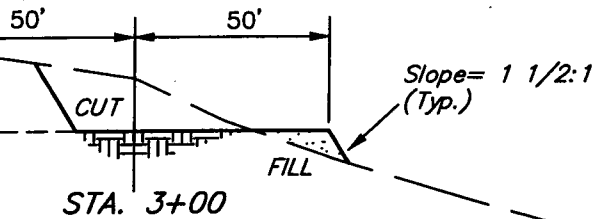
3541' FSL 2085' FWL

FIGURE #2

DATE: 01-30-04
Drawn By: D.R.B.



1" = 20'
X-Section
Scale
1" = 50'



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

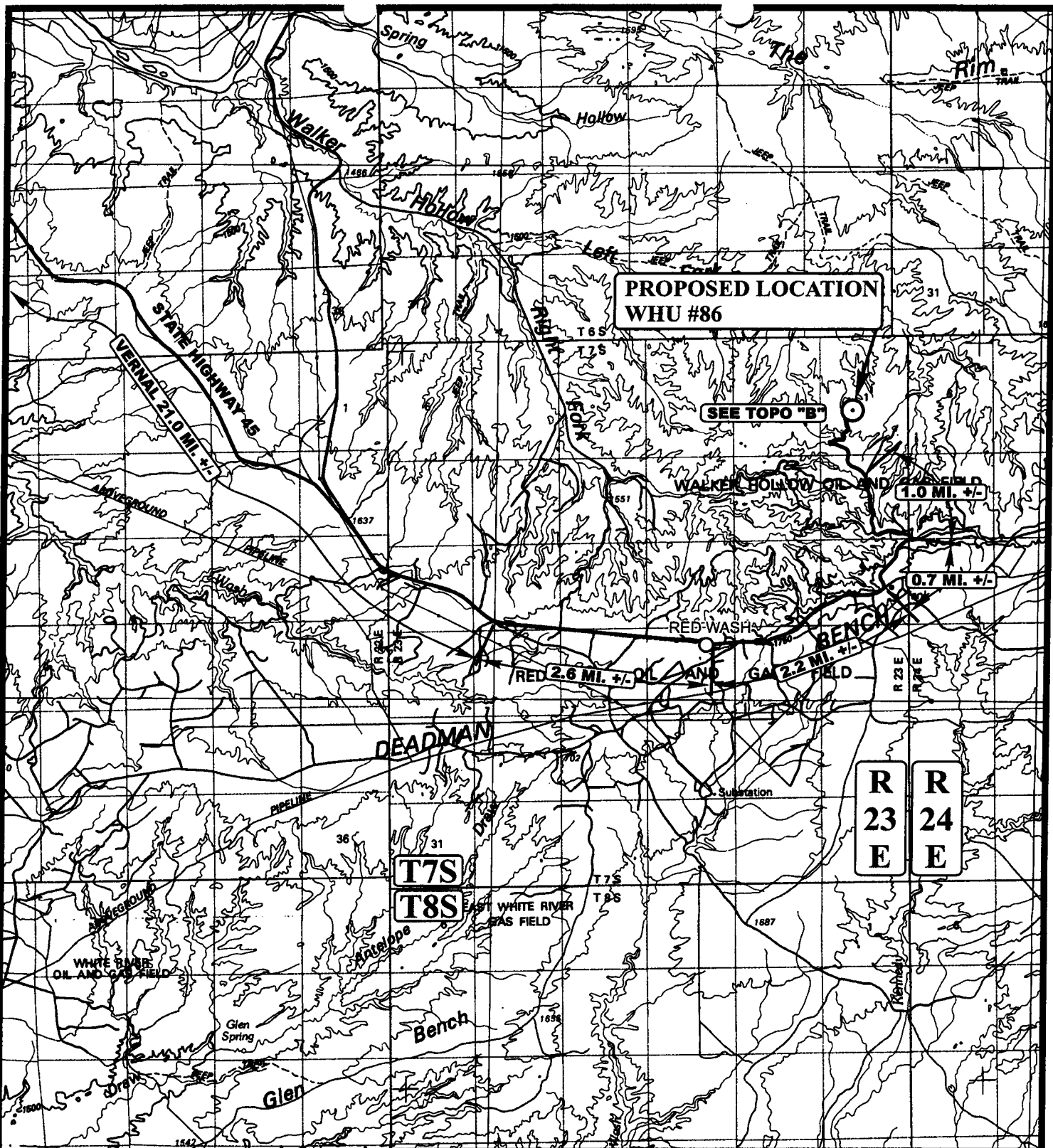
CUT	
(6") Topsoil Stripping	= 980 Cu. Yds.
Remaining Location	= 12,670 Cu. Yds.
TOTAL CUT	= 13,650 CU.YDS.
FILL	= 11,460 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 1,590 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 1,590 Cu. Yds.

EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



CITATION OIL & GAS CORP.

WHU #86

SECTION 1, T7S, R23E, S.L.B.&M.

3541' FSL 2085' FWL



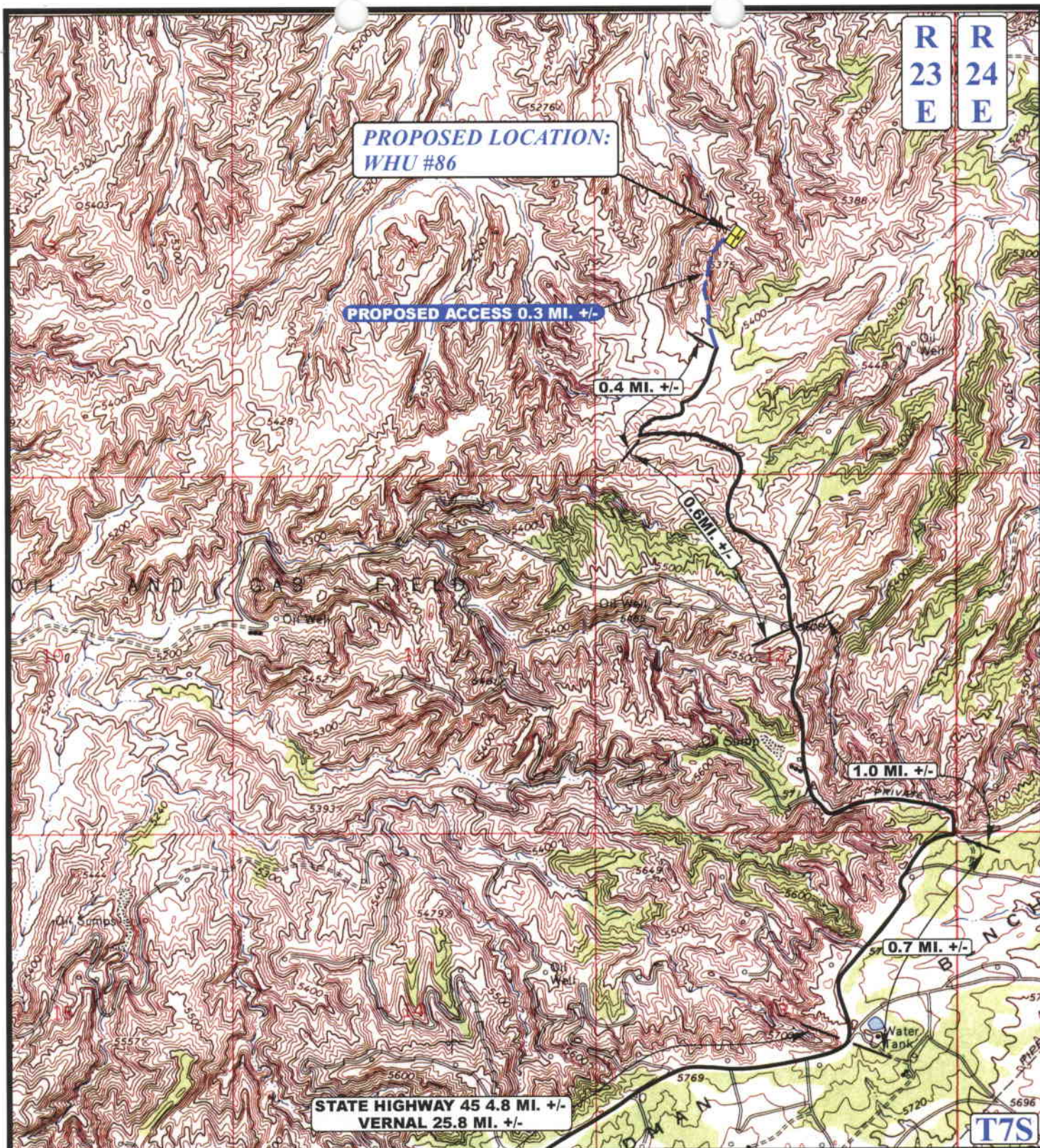
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02 03 04
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: T.H. REVISED: 00-00-00





LEGEND:

— EXISTING ROAD
- - - PROPOSED ACCESS ROAD

CITATION OIL & GAS CORP.

WHU #86
SECTION 1, T7S, R23E, S.L.B.&M.
3541' FSL 2085' FWL



Uintah Engineering & Land Surveying
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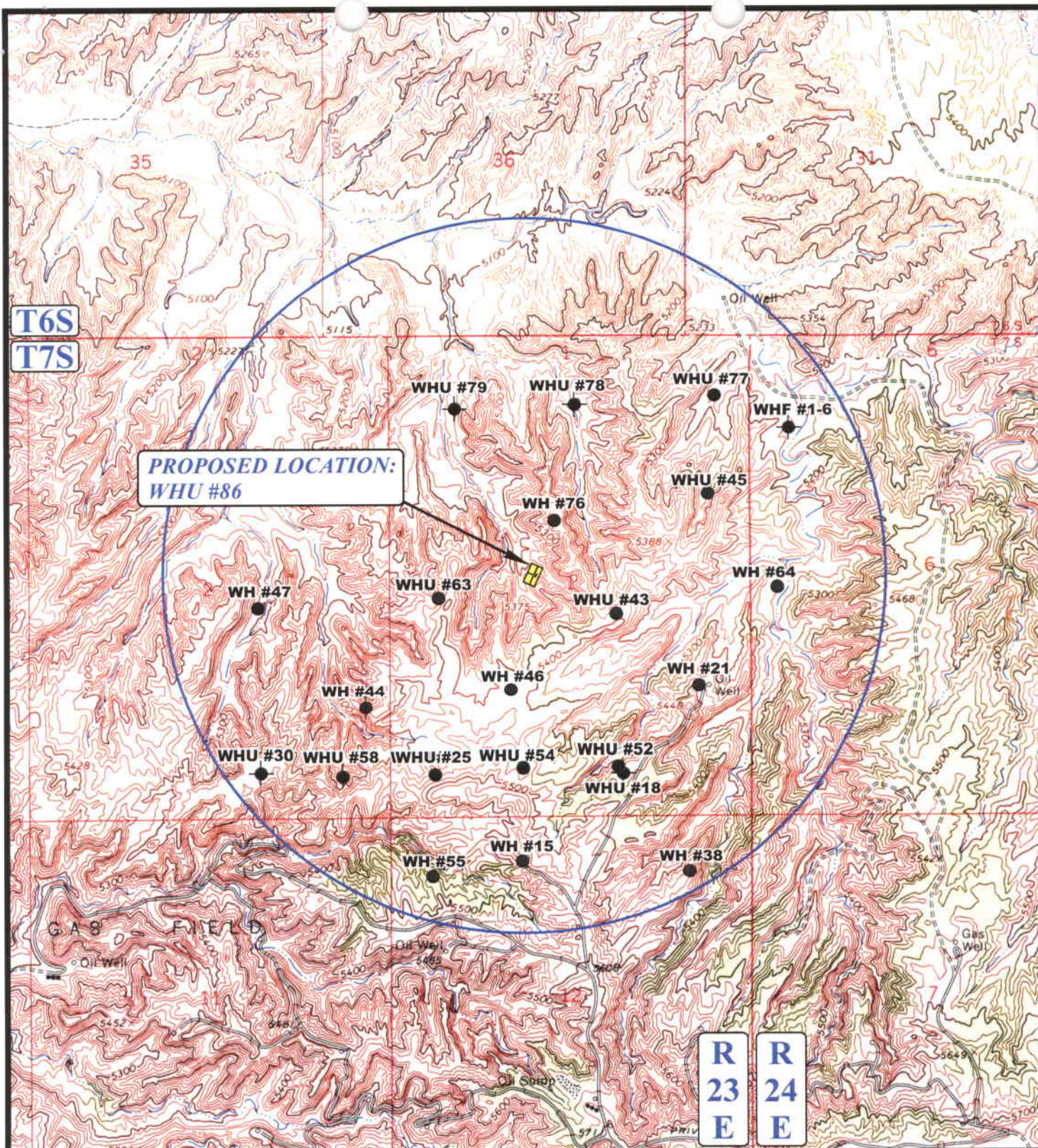


TOPOGRAPHIC
MAP

02 03 04
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

CITATION OIL & GAS CORP.

WHU #86
 SECTION 1, T7S, R23E, S.L.B.&M.
 3541' FSL 2085' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

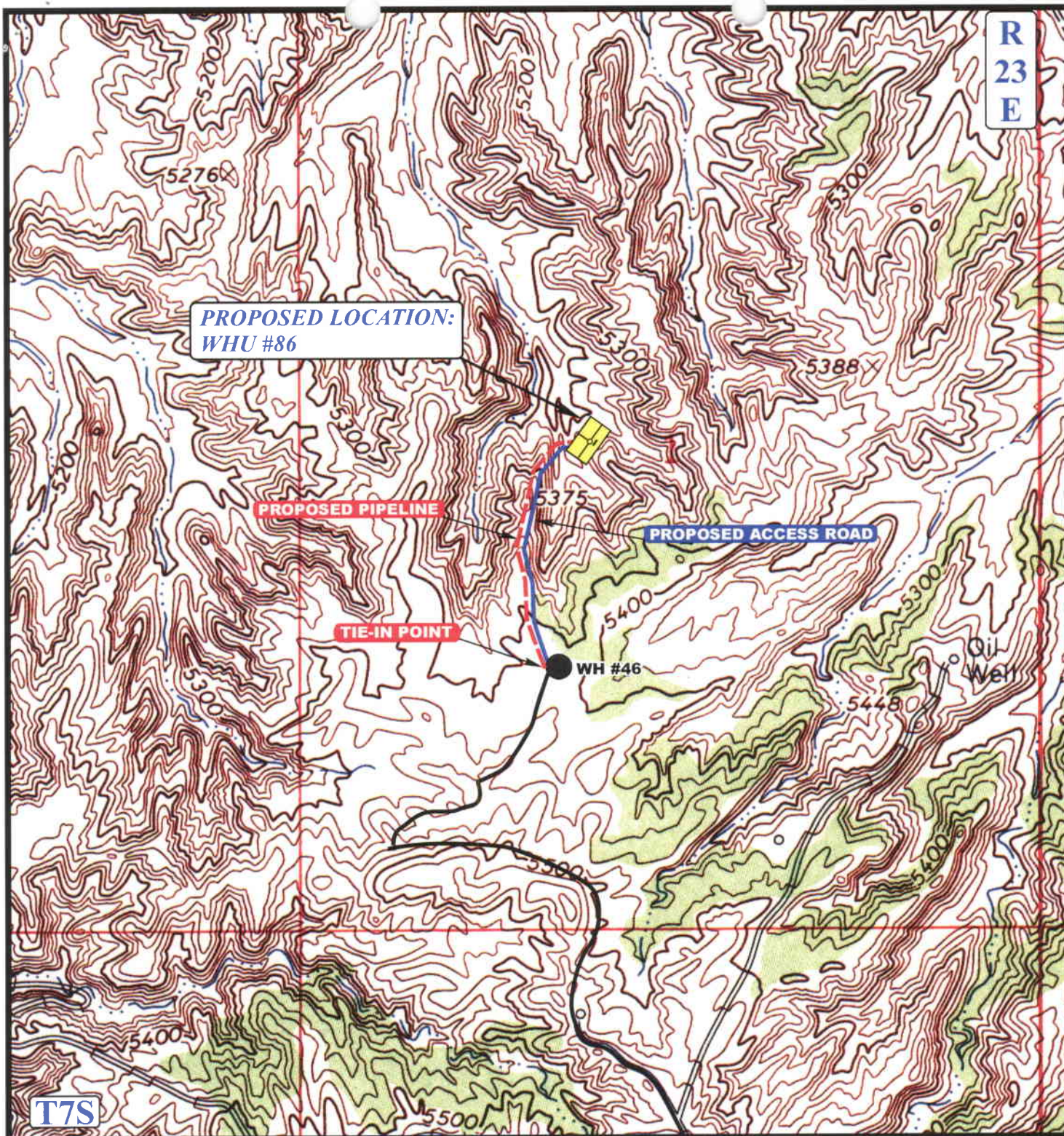


TOPOGRAPHIC
 MAP

02 02 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1950' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



CITATION OIL & GAS CORP.

WHU #86
SECTION 1, T7S, R23E, S.L.B.&M.
3541' FSL 2085' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02	03	04
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: T.H. REVISED: 00-00-00



**Walker Hollow Unit
Tank Battery Locations**

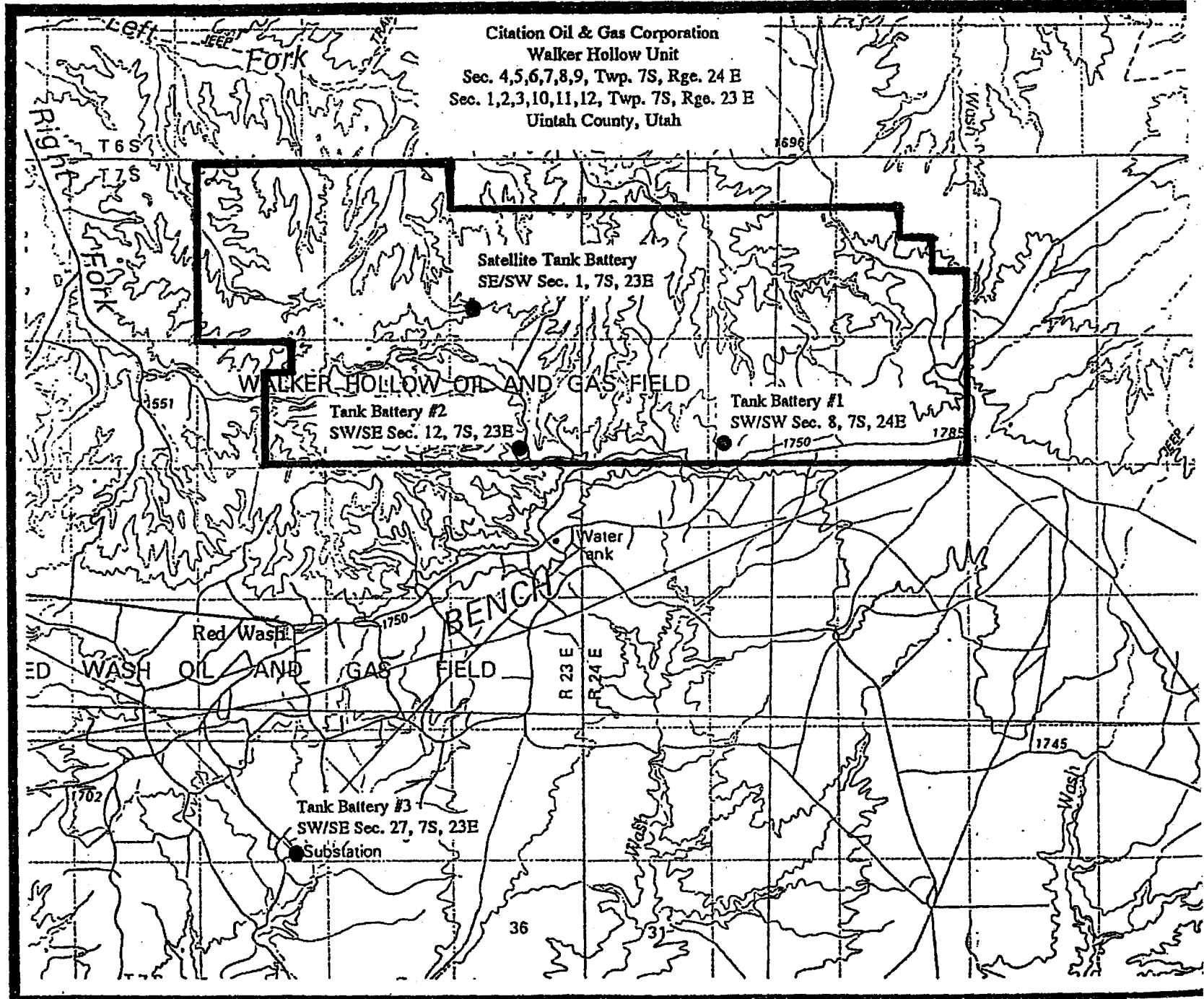
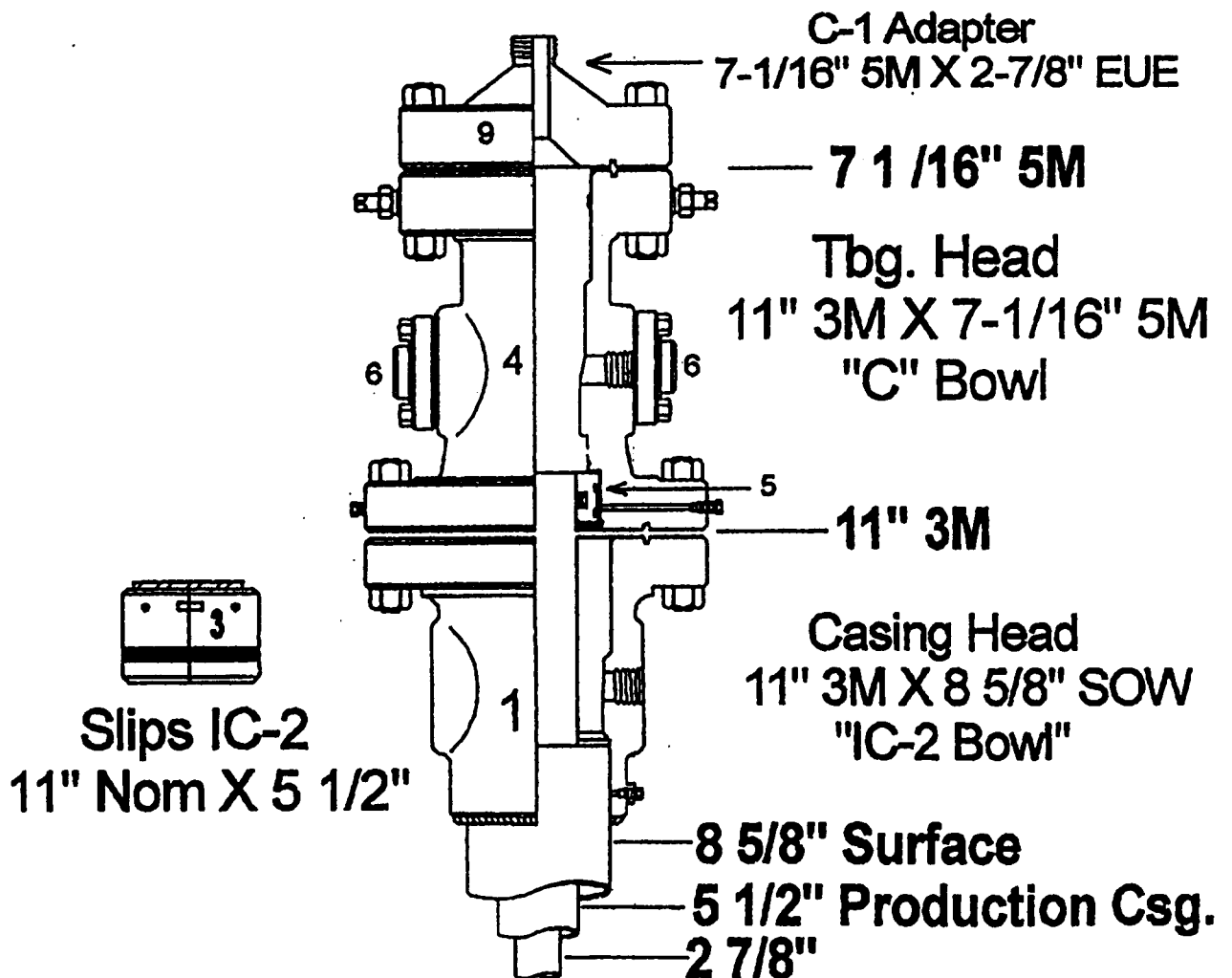


EXHIBIT "B"

Citation Oil & Gas Corp.

**Walker Hollow Field
2003 Drilling Program
8 5/8" X 5 1/2" X 2 7/8"**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

005

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CITATION OIL & GAS CORP.

3a. Address

P.O. Box 690688, Houston, Texas 77269-0688

3b. Phone No. (include area code)

(281) 517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2085' FWL & 3541' FSL NW SE Section 1-7S-23E

SE 1/4

5. Lease Serial No.

UTSL 066312

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Walker Hollow Unit

8. Well Name and No.

Walker Hollow Unit #86

9. API Well No.

10. Field and Pool, or Exploratory Area

Walker Hollow Green River

11. County or Parish, State

Uintah County UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☒ Other **Surface**☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon**Commingle**☐ Final Abandonment Notice☐ Convert to Injection☐ Plug Back☐ Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Citation Oil & Gas Corp. currently has approval to surface commingle the production from the Walker Hollow Unit and U S A Pearl Broadhurst at the production battery 3 via pipeline.

Citation requests permission to commingle the production from the Walker Hollow Unit 86 with the existing production from the Walker Hollow Unit and U S A Pearl Broadhurst leases. The wells will be tested at each lease and the production from the 82 well will be sold in common with the Walker Hollow Unit production. The oil will continue to be gauged at the USA Pearl Broadhurst lease then transferred to the Walker Hollow Unit production battery (3) via pipeline. All production will be sold at the Lact Unit. The U S A Pearl Broadhurst tickets are split out from the total sales giving both leases their share of production. Then each well is allocated back by well tests.

OK. See email dated 4/26/2004 from Sharon Ward for additional information DRD

14. I hereby certify that the foregoing is true and correct

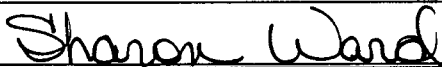
Name (Printed/Typed)

Sharon Ward

Title

Regulatory Administrator

Signature



Date

March 26, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

006

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CITATION OIL & GAS CORP.

3a. Address

P.O. Box 690688, Houston, Texas 77269-0688

3b. Phone No. (include area code)

(281) 517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

3541' FSL & 2085' FWL NW SE Section 1-7S-23E

Sharon

5. Lease Serial No.

UTSL 066312

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Walker Hollow Unit

8. Well Name and No.

Walker Hollow Unit #86

9. API Well No.

10. Field and Pool, or Exploratory Area

Walker Hollow Green River

11. County or Parish, State

Uintah County UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Subsequent Report

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other **Dispose of**

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

produced water into

☐ Final Abandonment Notice

☐ Convert to Injection

☐ Plug Back

☐ Water Disposal

injection system

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Citation Oil & Gas Corp. requests permission to dispose of produced water from our Walker Hollow Unit 83 well into a common commingled injection system in the Walker Hollow Unit.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sharon Ward

Title

Regulatory Administrator

Signature

Sharon Ward

Date

March 26, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: 066312	6. SURFACE: Federal
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. UNIT or CA AGREEMENT NAME: Walker Hollow Unit	
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		9. WELL NAME and NUMBER: Walker Hollow Unit #86	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 3541' FSL & 2085' FWL Latitude: 40 14'27.60" Longitude: 109 16' 38.72" AT PROPOSED PRODUCING ZONE: 3541' FSL & 2085' FWL 4457927 Y 40, 26088 646543 X - 109, 27451		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 27.5 miles East of Vernal Utah		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE NW 1, 7S 23E	12. COUNTY: Uintah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1750 ±	16. NUMBER OF ACRES IN LEASE: 3277.20	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 850 ±	19. PROPOSED DEPTH: ± 5,356	20. BOND DESCRIPTION: MT O630	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5231	22. APPROXIMATE DATE WORK WILL START: 2004	23. ESTIMATED DURATION: 8 Days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	8 5/8 J-55 24 ppf	400	Class A + additives 225 sxs
7 7/8	5 1/2 J-55 15.5 ppf	5,356	Class G + additives 365 sxs

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

RECEIVED

APR 01 2004

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Sharon Ward

TITLE Regulatory Administrator

SIGNATURE

Sharon Ward

DATE

3/24/2004

(This space for State use only)

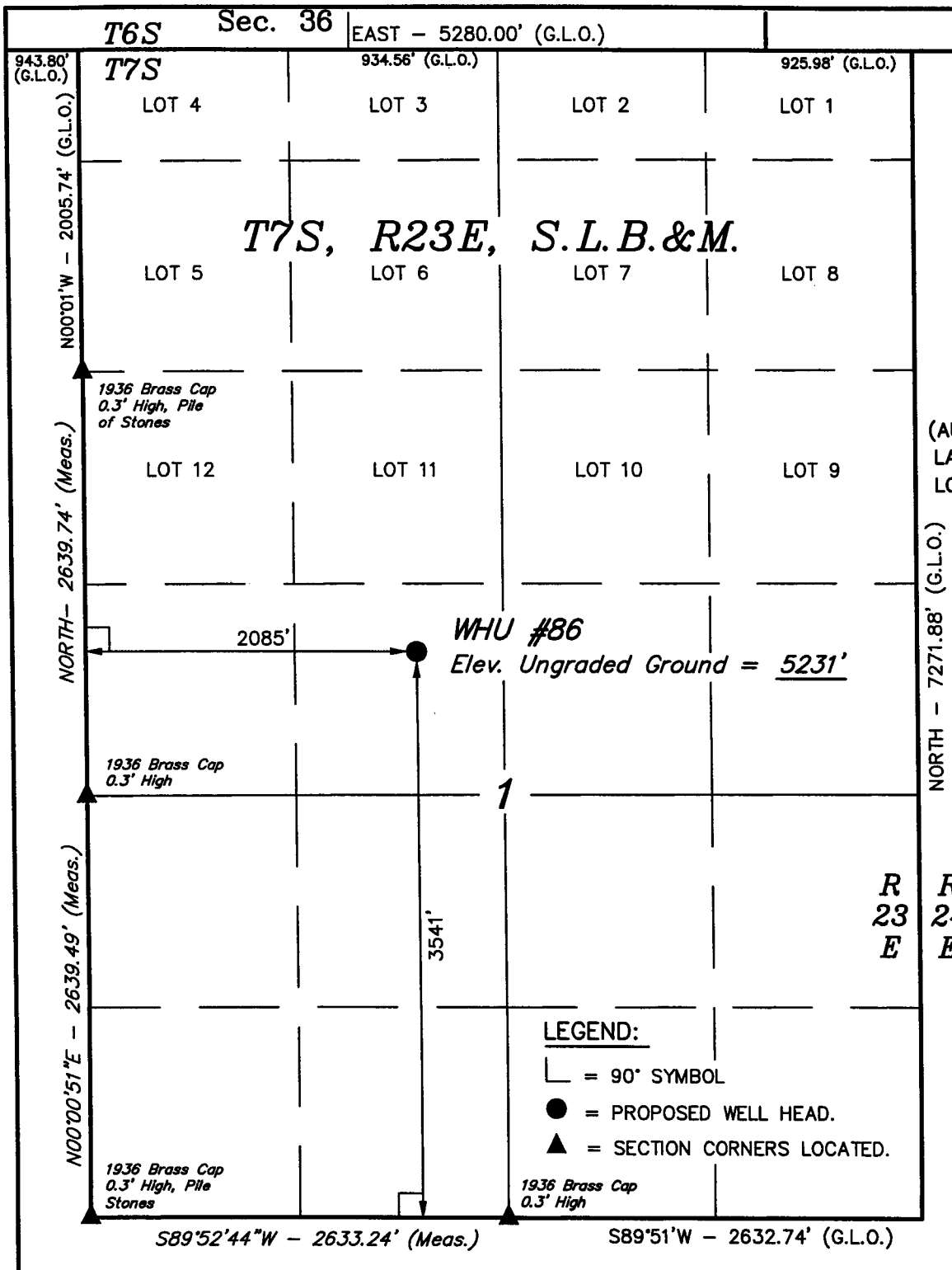
API NUMBER ASSIGNED: 43-047-35607

**Federal Approval of this
Action is Necessary**

APPROVAL:

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 05-11-04
By: [Signature]



CITATION OIL & GAS CORP.

Well location, WHU #86, located as shown in the SE 1/4 NW 1/4 of Section 1, T7S, R23E, S.L.B.&M. Uintah County, Utah

BASIS OF ELEVATION

SPOT ELEVATION AT AN INTERSECTION LOCATED IN THE NE 1/4 OF SECTION 12, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5608 FEET.

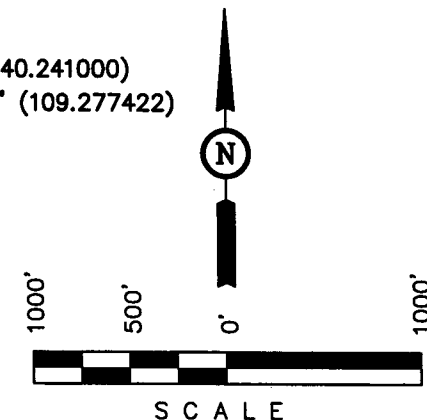
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°14'27.60" (40.241000)

LONGITUDE = 109°16'38.72" (109.277422)



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-29-04	DATE DRAWN: 01-30-04
PARTY B.B. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CITATION OIL & GAS CORP.	

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/01/2004

API NO. ASSIGNED: 43-047-35607

WELL NAME: WHU 86

OPERATOR: CITATION OIL & GAS CORP (N0265)

CONTACT: SHARON WARD

PHONE NUMBER: 281-517-7309

PROPOSED LOCATION:

SE NW 01 070S 230E

SURFACE: 3541 FSL 2085 FWL

BOTTOM: 3541 FSL 2085 FWL

UINTAH

WALKER HOLLOW (700)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTSL 066312

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.24090

LONGITUDE: 109.27648

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. MT 0630)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
 (No. 53617)

☒ RDCC Review (Y/N)
 (Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit WALKER HOLLOW

R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 112-1

Eff Date: 8-19-1965

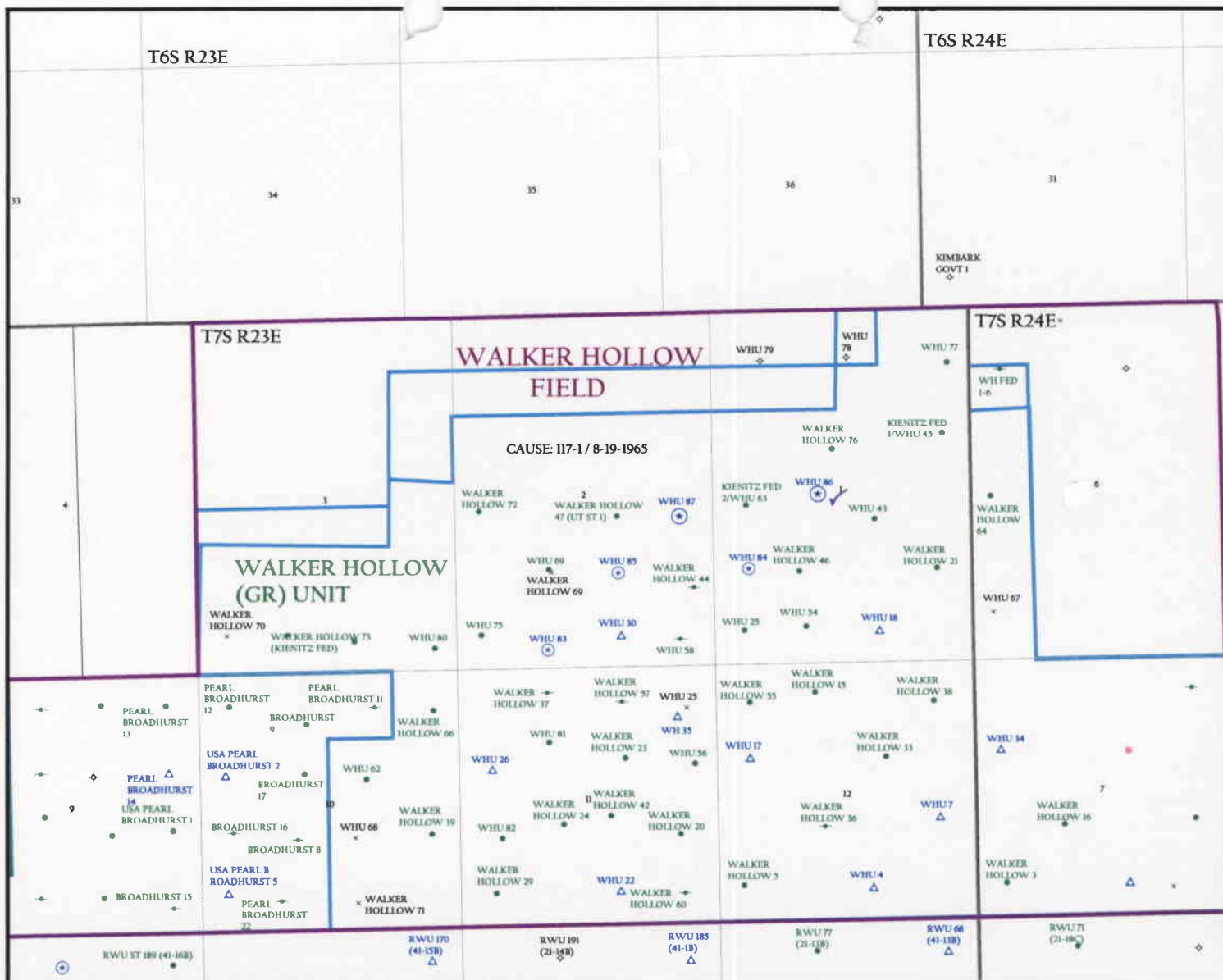
Siting: 460' fr boundary & 920' fr other wells.

R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1-federal approval



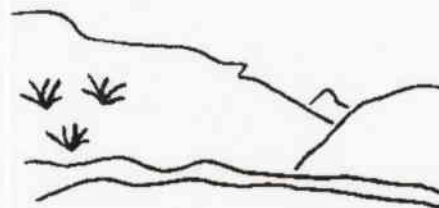
OPERATOR: CITATION O&G CORP (N0265)

SEC. 1 T.7S, R.23E

FIELD: WALKER HOLLOW (700)

COUNTY: UINTAH

CAUSE: I17-1 / 8-19-1965



Utah Oil Gas and Mining

Well Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHEML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 2-APRIL-2004

004

United States Department of the Interior**BUREAU OF LAND MANAGEMENT**

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

April 5, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Walker Hollow Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2003 within the Walker Hollow Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Green River)

43-047-35607	WHU 86 Sec 1	T07S R23E 3541 FSL 2085 FWL
43-047-35608	WHU 84 Sec 1	T07S R23E 1985 FSL 0673 FWL
43-047-35609	WHU 85 Sec 2	T07S R23E 1908 FSL 1996 FEL
43-047-35610	WHU 83 Sec 2	T07S R23E 0421 FSL 1849 FWL
43-047-35611	WHU 87 Sec 2	T07S R23E 3087 FSL 0750 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Walker Hollow Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:4-5-04

003

From: "Sharon Ward" <SWard@cogc.com>
To: <clintondworshak@utah.gov>
Date: 4/26/2004 12:04:18 PM
Subject: Walker Hollow Unit APD's

Per your request for the yield for the surface casing and the tail of the production casing:

Surface casing: 1.18 cubic feet/sack yield and a 15.6 ppg cement density

Production casing: Lead Cement - 3.91 cubic feet/sack yield and a 11.0 ppg cement density

Tail Cement - 1.36 cubic feet/sack yield
and a 14.1 ppg cement density

Per your request for the testing of production and water:

As far as the produced water is concerned, we will be transferring all oil, gas, and water to centralized production facilities where we will have the capability of producing into gross separators and heater treaters or testing the wells on an individual basis for oil, gas, and water volumes. The wells are planned to be tested for 24 hour periods, through test separator facilities, on a monthly basis and reported as such.

If you require additional information, please advise.

Thank you,

Sharon Ward

Regulatory Administrator

Citation Oil & Gas Corp.

281-517-7309

Fax 281-469-9667



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

May 11, 2004

Citation Oil & Gas Corporation
P O Box 690688
Houston, TX 77269

Re: Walker Hollow Unit 86 Well, 3541' FSL, 2085' FWL, SE NW, Sec. 1,
T. 7 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35607.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Citation Oil & Gas Corporation
Well Name & Number Walker Hollow Unit 86
API Number: 43-047-35607
Lease: UTSL 066312

Location: SE NW **Sec.** 1 **T.** 7 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

APR 14 2004

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

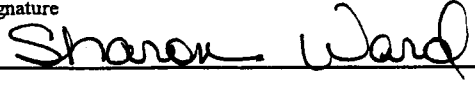

011
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UTSLO- 66312
2. Name of Operator Citation Oil & Gas Corp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address P O Box 690688 Houston, Texas 77269-0688		8. Lease Name and Well No. Walker Hollow Unit #86
3b. Phone No. (include area code) 281-517-7800		9. API Well No. 43.047.351607
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface SE 1/4 3541' FSL & 2085' FWL Latitude: 40 14' 27.60" Longitude: 109 16' 38.72" At proposed prod. zone SE 1/4 3541' FSL & 2085' FWL		10. Field and Pool, or Exploratory Walker Hollow Green River
11. Sec., T., R., M., or Blk. And Survey or Area Sec. 1, T7S, R23E		12. County or Parish Uintah County
13. State Utah		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* +/- 27.5 miles East of Vernal Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1750 +/-	16. No. of Acres in lease 3277.2	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 850 +/-	19. Proposed Depth 5356 +/-	20. BLM/ BIA Bond No. on file MTB000053
21. Elevations (Show whether DF, RT, GR, etc.) 5231	22. Approximate date work will start* 2004	23. Estimated Duration 8 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file(see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the a authorized officer. |

25. Signature 	Name (Printed/ Typed) Sharon Ward	Date 24-Mar-03
Title Regulatory Administrator		
Approved By (Signature) 		
Name (Printed/ Typed) DIV. OF OIL, GAS & MINING		Date 07/13/2004
Title Assistant Field Manager Mineral Resources		Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

NOTICE OF APPROVAL

UDOGM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Citation Oil & Gas Corporation
Well Name & Number: Walker Hollow Unit #86
API Number: 43-047-35607
Lease Number: UTSL - 066312
Location: SENW Sec. 1 TWN: 7S RNG: 23E
Agreement: WALKER HOLLOW GR SR

NOTIFICATION REQUIREMENTS

- | | |
|---------------------------------|---|
| Location Construction | - At least forty-eight hours prior to construction of the location or access roads. |
| Location Completion | - Prior to moving on the drilling rig. |
| Spud Notice | - At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - At least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - At least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - Within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

DRILLING PROGRAM

Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands encountered to John Mayers of this office prior to setting the next casing or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil & Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil & Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water resources shall be isolated and/or protected by having a

cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at $\pm 3,191$ ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c) (3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

At the time that the well is no longer in operation, the well shall be plugged and the location and access road shall be reclaimed. All disturbed surfaces shall be re-contoured to near natural contours. Any stockpiled top soils shall be spread over the re-contoured surfaces and reseeded with the following seed mixture:

Seed Mixture:		lbs/acre
Shadscale	Atriplex confertifolia	4
Indian rice grass	Oryzopsis hymenoides	4
Mat salt bush	Atriplex corrugata	4

Seed shall be drilled but if broadcasted double the pounds per acre used and work the soils mechanically to cover the seed.

The access road to the location will require difficult construction and later reclamation. The operator is reminded that the project disturbance will be returned to near natural contours and vegetation. All efforts by the operator will be made to return disturbed surfaces to near natural conditions.

The reserve pit shall be lined with a 12 mil or more plastic re-enforced liner.

All facilities on location shall be painted a non-reflective Carlsbad Canyon to blend with the natural vegetation of the area.

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: CITATION OIL & GAS CORPWell Name: WHU 86Api No: 43-047-35607 Lease Type: FEDERALSection 01 Township 07S Range 23E County UINTAHDrilling Contractor UNION DRILLING RIG # 17**SPUDED:**Date 09/03/04Time 9:00 AMHow DRY**Drilling will commence:** _____Reported by JACK HOUTTelephone # 1-254-460-9735Date 09/08/2004 Signed CHD

012

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Citation Oil & Gas Corp. Operator Account Number: N 0265
 Address: P.O. Box 690688
city Houston
state TX zip 77269-0688 Phone Number: (281) 517-7194

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35607	Walker Hollow Unit #86		SENE	1	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	610	9/3/2004		9/9/04		
Comments: <u>GRV</u> CONFIDENTIAL New well being drilled in the Walker Hollow Green River Unit							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: CONFIDENTIAL							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Debra Harris

Name (Please Print)

Debra Harris

Signature

Prod/Reg Coordinator

9/7/2004

Title

Date

(5/2000)

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SEP 07 2004

DIV. OF OIL, GAS & MINING



October 28, 2004

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Sale Lake City, Utah 84114-5801

CONFIDENTIAL

Re: "CONFIDENTIALITY"
Walker Hollow Green River Unit
Well #86 – API 43-047-35607
SE NW Sec. 2, T7S, R23E
Uintah County, Utah

Gentlemen:

Citation Oil & Gas Corp. requests "CONFIDENTIALITY" under State of Utah DOGM R649-2-11., for the recently drilled and completed well which is referenced above. All items have been stamped "CONFIDENTIAL" in red as required by the rule.

I have enclosed Form 8 – Well Completion Report and Log. The logs were submitted previously by the logging company, so they were not stamped 'CONFIDENTIAL'. Please advise if these previously submitted logs can also be kept confidential as well as the completion forms.

If you need additional information, please contact me at (281) 517-7194.

Sincerely,

A handwritten signature in cursive script that reads "Debra Harris".

Debra Harris
Production/Regulatory Coordinator

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DIV. OF OIL, GAS & MINING

/dkh

Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

013

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 066312
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269		7. UNIT or CA AGREEMENT NAME: UTU66837A Walker Hollow
4. LOCATION OF WELL FOOTAGES AT SURFACE: 3541' FSL & 2085' FWL		8. WELL NAME and NUMBER: Walker Hollow Unit 86
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 1 7S 23E		9. API NUMBER: 4304735607
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Spud well 9/3/2004 and completed 10/12/2004. Well on production 10/17/2004.

NAME (PLEASE PRINT) Debra Harris

TITLE Production/Regulatory Coordinator

SIGNATURE

DATE 10/28/2004

(This space for State use only)

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DIV. OF OIL, GAS & MINING

015

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8

(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTSL 066312

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UTU66837A Walker Hollow8. WELL NAME and NUMBER:
Walker Hollow Unit 869. API NUMBER:
430473560710 FIELD AND POOL, OR WILDCAT
Walker Hollow Green River11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
SENW 1 7S 23E12. COUNTY
Uintah 13. STATE
UTAH**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHERb. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER2. NAME OF OPERATOR:
Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269-0688 PHONE NUMBER: (281) 517-7194

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 3541' FSL & 2085' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same**CONFIDENTIAL**14. DATE SPUDDED: 9/3/2004 15. DATE T.D. REACHED: 9/11/2004 16. DATE COMPLETED: 10/12/2004 ABANDONED ☐ READY TO PRODUCE ☒17. ELEVATIONS (DF, RKB, RT, GL):
5228' GL; 5243' KB18. TOTAL DEPTH: MD 5,374
TVD 5,37419. PLUG BACK T.D.: MD 5,374
TVD 5,374

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

HD Ind/GR/Cal; Comp. Z-Densilog/CNL/GR; VPC Fm Multi-Tester/
GR (previously submitted by log company)23.
WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8 J-55	24#	0	401		A 225	48	0	0
7-7/8"	5 1/2 J-55	15.5#	0	5,366		Lite / G 450	330	3860'	0

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
	5,347							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Green River	5,241	5,365	5,241	5,365	5,241 5,365	4"		Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5241' - 5274'	Frac'd with 60442# 20-40 sand in 24537 gals 17 ppg gel
5310' - 5326'	Frac'd with 30000# 20-40 sand in 12640 gals 17 ppg gel
5342' - 5365'	Acidized with 1500 gals 7.5% HCl with 70 BS

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: **RECEIVED**

30. WELL STATUS:

Producing

NOV 01 2004

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 10/17/2004		TEST DATE: 10/20/2004		HOURS TESTED: 20		TEST PRODUCTION RATES: →		OIL – BBL: 20		GAS – MCF: 9		WATER – BBL: 107		PROD. METHOD: Pumping			
CHOKE SIZE: N/A	TBG. PRESS. 125	CSG. PRESS. 80	API GRAVITY 26.00	BTU – GAS		GAS/OIL RATIO 450		24 HR PRODUCTION RATES: →		OIL – BBL: 27		GAS – MCF: 12		WATER – BBL: 143		INTERVAL STATUS: Producing	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED: 11-19-30		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	5,241	5,365	Oil/Gas/Water	Green River	5,241

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Debra HarrisTITLE Production/Regulatory CoordinatorSIGNATURE *Debra Harris*DATE 10/28/2004

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
Fax: 801-359-3940

RMA

WALKER HOLLOW UNIT 86

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

T 75 R 23E S-01

43-041-35607

CONFIDENTIAL

CapBudget#: 322

AFE#: 040248

AFE Cost: \$800,000

COG WI: 100 %

STATUS: A

Prior Production:	BOPD	MCFPD	BWPD
Proj. Production:	50 BOPD	40 MCFPD	BWPD
Prior Lease:	BOPD	MCFPD	BWPD

8/7/2004 Day: 1 /

Present Operation: Drop until MIRU Rotary Tools

Drill surface, rat & mouse holes. Drill 12 1/4" hole to 416' KB. Ran 8 5/8" 24 lb J-55 ST&C 8rd to 416' KB. Cement w/ 225 sx type 5 class A @ 15.6 ppg. Circ 5 bbl cmt to surface. Cmt stayed @ surface.

DROP FROM REPORT UNTIL MIRU ROTARY TOOLS.

DC: \$64,485 CC: \$64,485 TD: 416 PBTD:

9/4/2004 Day: 2 /

Present Operation: Drilling

Wt: 8.3; Vis: 27; Type: Wtr.
9 hrs- RU rotary tools.
6 hrs- NU & test BOPE.
1/2 hr- PU BHA.
1-1/2 hrs- Drill float & shoe.
7 hrs- Drill new hole.

DC: \$19,347 CC: \$83,832 TD: 810 PBTD:

9/5/2004 Day: 3 /

Present Operation: Tripping for M.Motor

Wt: 8.4; Vis: 28; Type: Wtr. Depth: 847 & 1404 @ Angle 1degree.
21 hrs- Drilling.
1 hr- Survey & rig service.
2 hrs- TOO H f/ mud motor.

DC: \$37,618 CC: \$121,450 TD: 1,852 PBTD:

9/6/2004 Day: 4 /

Present Operation: Drilling

Wt: 8.4+; Vis: 28; Type: Wtr. Depth: 1899 at Angle 1.25 degree & Depth 2399 at Angle 1.75 degree.
2-1/2 hrs- TIH.
1 hr- W&R 300' to btm.
19 hrs- Drilling.
1-1/2 hrs- Survey & rig service.

DC: \$32,274 CC: \$153,724 TD: 2,998 PBTD:

9/7/2004 Day: 5 /

Present Operation: Drilling

Wt: 8.8+; Vis: 32; Type: Wtr. Depth: 2953 at Angle .75 degree & Depth 3390 at Angle 1degree.
21-1/2 hrs- Drilling.
1-1/2 hrs- Survey & rig service.
1 hr- Rig repair.
Began mud up @ 3700', had 100 bbls seepage.

DC: \$23,451 CC: \$177,175 TD: 3,962 PBTD:

9/8/2004 Day: 6 /

Present Operation: Drilling

Wt: 9; Vis: 35; WI: 15.2; Type: LSND. Depth: 4112 at Angle 1 degree.
23 hrs- Drilling.
1 hr- Survey & rig service.

DC: \$22,946 CC: \$200,121 TD: 4,500 PBTD:

9/9/2004 Day: 7 /

Present Operation: Drilling

Wt: 9; Vis: 41; WI: 9.6; Type: LSND; Depth: 4489 at Angle 1.25 degree.
17-1/2 hrs- Drilling.
1/2 hr- Circ for bit trip.
2-1/2 hrs- TOO H f/ bit 3.
3 hrs- TIH.
1/2 hr- W&R 4475'-4537'.

DC: \$32,242 CC: \$232,363 TD: 4,938 PBTD:

9/10/2004 Day: 8 /

Present Operation: Work Tight Hole 4571'

Wt: 9.4; Vis: 37; WI: 8; Type: LSND; Depth: 4915 at Angle 1 degree.
17-1/2 hrs- Drilling.
1 hr- Survey & rig service.
3-1/2 hrs- Circ & cond.
2 hrs- Short trip to 4000'. Work tight spot @ 4571'.

DC: \$19,786 CC: \$252,149 TD: 5,355 PBTD:

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DIV OF OIL, GAS & MINING

RMA**WALKER HOLLOW UNIT 86**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIAL

CapBudget#: 322

AFE#: 040248

AFE Cost: \$800,000

COG WI: 100 %

STATUS: A

9/11/2004 Day: 9 /

Present Operation: TIH

Wt: 9.2; Vis: 45; WI: 7.7; Type: LSND.

1-1/2 hrs- Finish short trip.

1-1/2 hrs- Condition for logs.

4 hrs- TOO H f/ log.

16-1/2 hrs- Log.

1/2 hr- TIH.

DC: \$35,140

CC: \$287,289

TD: 5,355

PBSD:

9/12/2004 Day: 10 /

Present Operation: RDMO

Wt: 9.2; Vis: 40; WI: 8; Type: LSND. Depth: 5285 @ 1.5 degree angle.

4 hrs- TIH.

1/2 hr- Drill to TD of 5364'.

1/2 hr- Circ f/ csg.

4 hrs- LD DP.

5 hrs- Run csg.

4 hrs- RU BJ, cmt csg. Lead w/ 200 sxs Lite II, tail w/ 250 sxs 50/50 Poz G. Floats held.

2 hrs- ND BOP. Set slips.

3 hrs- Clean tanks.

Rig released 0600, 9-12-04.

DROP FROM REPORT UNTIL COMPLETION COMMENCES.

DC: \$89,651

CC: \$376,940

TD: 5,366

PBSD:

10/1/2004 Day: 11 /

Present Operation:

Completion Day: 1

MIRU. TIH w/ 4-3/4" bit & 6 3-1/2" DC's. Tag float collar @ 5273'. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$55,217

DC: \$55,217

CC: \$432,157

TD:

PBSD:

10/2/2004 Day: 12 /

Present Operation: Perf DL1A

Completion Day: 2

Drill out FC & then drill to top of shoe @ 5374' SLM. Circ hole clean. TOO H. LD DC's.

TIH to PBSD w/ bit & scraper. Circ hole clean w/ 2% KCL. TOO H. MIRU WH. Run CBL-

GR-CCL log from 5374' to 300' past TOC which looks to be @ 3860'. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$91,472

DC: \$36,255

CC: \$468,412

TD:

PBSD:

10/3/2004 Day: 13 /

Present Operation: Shut Down for Sunday

Completion Day: 3

Perf DL1A using 4" csg gun @ 4 jspf & 90 degree phasing from 5342'-5353' & 5360'-

5365'. PU pkr & TIH. PT tbg to 3000 psi. Set pkr @ 5293'. PT csg to 2000 psi. Swab.

IFL- Surface. Swab 2 hrs, recovered 38 bbls, trace oil. Dried up. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$103,089

DC: \$11,617

CC: \$480,029

TD:

PBSD:

10/4/2004 Day: 14 /

Present Operation: Swab DL1A

Completion Day: 4

Shut dn for Sunday.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$103,749

DC: \$660

CC: \$480,689

TD:

PBSD:

RMA**WALKER HOLLOW UNIT 86**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIAL

CapBudget#: 322

AFE#: 040248

AFE Cost: \$800,000

COG WI: 100 %

STATUS: A

10/5/2004 Day: 15 /

Present Operation: Set RBP

Completion Day: 5

Tagged FL @ 1000'. MIRU Halliburton. Pump 1500 gals 7-1/2% HCL w/ 70 balls. Treated @ avg psi of 1400 psi @ avg 3 bpm. ISIP- 1008 psi; 15 min- 54 psi. Swab. Swab dry in 3 hrs, final OC 1%. Recovered 42 bbls. 26 BLTR. Rls pkr. TIH to PBTD & circ 69 out of 70 ball sealers to surface. TOOH. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$126,662

DC: \$22,913

CC: \$503,602

TD:

PBTD:

10/6/2004 Day: 16 /

Present Operation: SD Til Thursday

Completion Day: 6

MIRU WL. Set RBP @ 5335'. Test plug to 2000 psi. Perf Du8d zone using 4" csg gun @ 4 jspf & 90 degree phasing from 5310'-5326'. RD WL. TIH w/ pkr & retrieving head. Set pkr @ 5194'. Test csg to 2000 psi. Break perms w/ 2% KCL. Broke @ 1900 psi. Pumped into w/1200 psi @ 6 bpm. Swab. IFL- 600'. FFL- 4300'. Rec 53 bbls. Final run 25% OC.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$137,325

DROP FROM REPORT UNTIL THURSDAY - FIRST AVAILABILITY FOR FRAC.

DC: \$10,663

CC: \$514,265

TD:

PBTD:

10/7/2004 Day: 17 /

Present Operation: Frac du8d

Completion Day: 7

Shut dn.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$137,985

DC: \$660

CC: \$514,925

TD:

PBTD:

10/8/2004 Day: 18 /

Present Operation: Frac Du8c

Completion Day: 8

IFL- 2000'. Swab well dry in 3 swab runs. Recovered 18 total bbls fluid. Final cut- 2% oil. MIRU Halliburton. Pump 129 bbls slick wtr pad. Frac well dn 2-7/8" tbg w/ 30,000 lbs 20-40 sd stepped up from 1lb-4lb/gal stages in 12,640 gal 17 lb/gal gel @ avg rate of 11.8 bpm & avg press of 2700 psi. Max press- 3100 psi. Max rate- 12.0 bpm. ISIP- 1978 psi, 15 min- 1420 psi. Tagged all sd w/ SC-46 tracer. TLTR- 461 bbls. Wait 1 hr, open up well, was on a slight vac. Rlse pkr, no sand on RBP. Reset RBP @ 5290'. Test csg & RBP to 2000 psi. POOH w/ pkr. Perf Du8c using 4" csg gun @ 4 jspf & 90 degree phasing from 5241'-5260' & 5262'-5274'. TIH w/ pkr & retrieving head. Set pkr @ 5130'. Test csg to 2000 psi. Break perms w/ 2% KCL. Broke @ 2000 psi. Pumped into w/ 1400 psi @ 5.5 bpm. Swab. IFL- surface. Swabbed well dn in 5 runs. Recovered 31 bbls, final cut 1% oil. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$224,180

DC: \$86,195

CC: \$601,120

TD:

PBTD:

10/9/2004 Day: 19 /

Present Operation: Swab

Completion Day: 9

Swab. IFL- 4500', 40% oil. RU Halliburton. Pump 257 bbls slick wtr pad. Frac well dn 2 7/8" tbg w/ 60, 442# 20-40 sd stepped up from 1#-4# gal stages in 24,537 gal 17# gal gel @ avg rate of 11.8 bpm & avg press of 2650 pai. Max press = 3000 psi. Max rate = 12.0 bpm. ISIP=1800 psi, 15 min=1407 psi. Tagged all sd stages w/ iridium 192 tracer. Wait 1 hr after finishing frac then open up well. Well had 100 psi on tbg, flow back 10 bbls KCL. Rlse pkr. RIH & rev circ 15' sd off top of RBP. POOH. RIH w/ seating nipple & notched collar, tag sand @ 5572', clean well out to PBTD @ 5574'. PU to 5225' w/ SN, start swabbing. IFL 1500', FFL 3500', rec 42 bbl, 1% oc last run. SDFN.

DDC: \$-0- CDC: \$376,940

Cum Completion Cost: \$263,760

DC: \$39,580

CC: \$640,700

TD:

PBTD:

RMA

WALKER HOLLOW UNIT 86

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CapBudget#: 322
AFE#: 040248
AFE Cost: \$800,000
COG WI: 100 %
STATUS: A

CONFIDENTIAL

10/10/2004	Day: 20 /	Present Operation: Shut Down for Sunday Completion Day: 10 Tbg-20 psi, csg 20 psi. IFL 2000'. 1st run - 20% oil. Swabbed total of 205 bbls. Final cut - 1% oil. MIRU WL & run spectra scan for frac trace. SDFWE. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$274,944 DC: \$11,184 CC: \$651,884 TD: PBTD:
10/11/2004	Day: 21 /	Present Operation: Swab Completion Day: 11 SDFWE. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$274,944 DC: \$0 CC: \$651,884 TD: PBTD:
10/12/2004	Day: 22 /	Present Operation: Run Production String Completion Day: 12 TP- 25 psi. CP- 30 psi. Swab. IFL- 2750'. Swab back 174 bbls. Final cut 10% oil, trace of sand. FFL- 4400'. TIH & tag sand @ 5371'. PBTD @ 5374'. Circ sand clean from well. TOOH. SDFN. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$280,798 DC: \$5,854 CC: \$657,738 TD: PBTD:
10/13/2004	Day: 23 /	Present Operation: Set Pumping Unit Completion Day: 13 TIH w/ tbg prod assembly. PU pump & TIH w/ rod string. SDFN. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$330,121 DC: \$49,323 CC: \$707,061 TD: PBTD:
10/14/2004	Day: 24 /	Present Operation: Fit Sheaves to Unit Completion Day: 14 Load & test tbg w/ 20 bbls xysol to 1000 psi. RDMO. MIRU base & pumping unit. SDFN. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$412,016 DC: \$81,895 CC: \$788,956 TD: PBTD:
10/15/2004	Day: 25 /	Present Operation: Producing Completion Day: 15 Finished setting PU. Tied in gas supply. Turn to production. No tests until done testing WHU 85. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$8,250 CC: \$797,206 TD: PBTD:
10/16/2004	Day: 26 /	Present Operation: Producing Completion Day: 16 18 hrs: Prod: 1204' FAP. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTD:

RMA

WALKER HOLLOW UNIT 86

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIAL

CapBudget#: 322
AFE#: 040248
AFE Cost: \$800,000
COG WI: 100 %
STATUS: A

10/17/2004	Day: 27 /	Present Operation: Producing Completion Day: 17 24 hrs: Prod: 0' FAP. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/18/2004	Day: 28 /	Present Operation: Producing Completion Day: 18 12 hrs: Prod: 8 BO, 3 MCF, 46 BW. 0' FAP. Dn 12 hrs- Beam switch tripped. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/19/2004	Day: 29 /	Present Operation: Producing Completion Day: 19 8 hrs: Prod: 0 BO, 0 MCF, 70 BW. 0' FAP. Dn 16 hrs-doa. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/20/2004	Day: 30 /	Present Operation: Producing Completion Day: 20 18 hrs: Prod: 20 BO, 9 MCF, 107 BW. 131' FAP. Dn 6 hrs-beam switch. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/21/2004	Day: 31 /	Present Operation: Producing Completion Day: 21 24 hrs: Prod: 17 BO, 15 MCF, 62 BW. 0' FAP. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/22/2004	Day: 32 /	Present Operation: Producing Completion Day: 22 24 hrs: Prod: 17 BO, 12 MCF, 49 BW. 0' FAP. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/23/2004 10/25/2004	Day: 33 / 35	Present Operation: Producing Completion Day: 23-24-25 No test. Too muddy to shoot FAP. Put #85 in test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/26/2004	Day: 36 /	Present Operation: Producing Completion Day: 26 24 hrs: Prod: No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:

RMA**WALKER HOLLOW UNIT 86**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIALCapBudget#: 322
AFE#: 040248
AFE Cost: \$800,000
COG WI: 100 %
STATUS: A

10/27/2004	Day: 37 /	Present Operation: Producing Completion Day: 27 24 hrs: Prod: No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/28/2004	Day: 38 /	Present Operation: Producing Completion Day: 28 24 hrs: Prod: No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/29/2004	Day: 39 /	Present Operation: Producing Completion Day: 29 20 hrs: Prod: 10 BO, 9 MCF, 58 BW. No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/30/2004	Day: 40 /	Present Operation: Producing Completion Day: 30 24 hrs: Prod: 11 BO, 7 MCF, 56 BW. No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
10/31/2004	Day: 41 /	Present Operation: Producing Completion Day: 31 24 hrs: Prod: 12 BO, 7 MCF, 56 BW. No FAP taken. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/1/2004	Day: 42 /	Present Operation: Producing Completion Day: 32 24 hrs: Prod: No test. No FAP taken. Put #86 in test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/2/2004	Day: 43 /	Present Operation: Producing Completion Day: 33 24 hrs: Prod: No test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/3/2004	Day: 44 /	Present Operation: Producing Completion Day: 34 24 hrs: Prod: No test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:

RMA**WALKER HOLLOW UNIT 86**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CapBudget#: 322

AFE#: 040248

AFE Cost: \$800,000

COG WI: 100 %

STATUS: A

CONFIDENTIAL

11/4/2004	Day: 45 /	Present Operation: Producing Completion Day: 35 24 hrs: Prod: No test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/5/2004	Day: 46 /	Present Operation: Producing Completion Day: 36 24 hrs: Prod: No test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/6/2004	Day: 47 / 49	Present Operation: Producing
11/8/2004		Completion Day: 37-38-39 24 hrs: Prod: No test. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/9/2004	Day: 50 /	Present Operation: Producing Completion Day: 40 24 hrs: Prod: No test. Too muddy to shoot FL. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:
11/10/2004	Day: 51 /	Present Operation: Producing Completion Day: 41 24 hrs: Prod: No test. Too muddy to shoot FL. DDC: \$-0- CDC: \$376,940 Cum Completion Cost: \$420,266 DC: \$0 CC: \$797,206 TD: PBTB:

016

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 066312
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Walker Hollow Unit
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. WELL NAME and NUMBER: Walker Hollow Unit #86
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269		9. API NUMBER: 43-047-35607
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2085' FWL & 3541' FSL		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 1 07S 23E		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Perf and Fracture stimulate.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Citation Oil & Gas Corp. requests permission to perforate and fracture stimulate the Du5b and the Du5c in the above named well with the attached procedure.

RECEIVED
MAR 21 2005
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Bridget Lisenbe	TITLE Regulatory Assistant
SIGNATURE <i>Bridget Lisenbe</i>	DATE 3/18/2005

(This space for State use only)

POINT TO OPERATOR
3-22-05
CHO

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: **3/22/05**By: *[Signature]*

(See Instructions on Reverse Side)

WHU 86 – Procedure to OAP in D5b and D5c.

3-4-05

1. MIRU. TOH with pump. TIH with tbg to check for fill. TOH.
2. Roundtrip bit and scraper to $\pm 4900'$. TIH with RBP, set at $\pm 4820'$ KB.
3. Displace hole with 2% KCl. Test RBP and csg to 2500 psi. TOH.
4. RUWL with full lubricator. Perf Du5c 4750' – 4758', 4 spf. Perf Du5b 4708' – 4718', 4 spf. Use 4" guns, 90° phase; perfs relative to Baker Hughes Compensated Z-Densilog/CNL of 9-10-04. RDWL.
5. TIH with treating pkr and retrieving head to $\pm 4650'$ KB. Set pkr, test annulus to 1000 psi. Acidize Du5b and Du5c with 1500 gal 7-1/2% HCl with additives and 100 RCN balls. Max pressure is 2500 psi. Surge balls off. Swab back until clean. TIH with pkr through perfs. Re-set pkr at $\pm 4650'$ KB. Test annulus to 1000 psi.
6. Frac Du5b and Du5c with 50,000 lbs sand in gelled water. Specific design will be provided prior to the frac.
7. Flow/swab back until clean. Retrieve RBP, TOH.
8. TIH with production string as follows:
 - OPMA with EOT $\pm 5347'$
 - 3 jts tail pipe
 - Mother Hubbard
 - 1 jt
 - SN landed at $\pm 5168'$
 - 16 jts
 - TAC landed at $\pm 4680'$
 - tbg to surfaceRun same pump and rod design as presently exists.
9. RDMO, RTP.

Citation Oil & Gas Corporation - Walker Hollow Unit #86

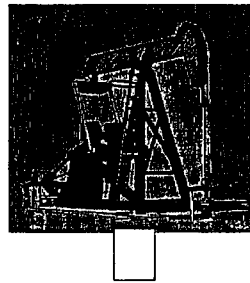
Wellbore Diagram - Present Status

Date: 2-25-05 BC

Ground Elevation = 5228'

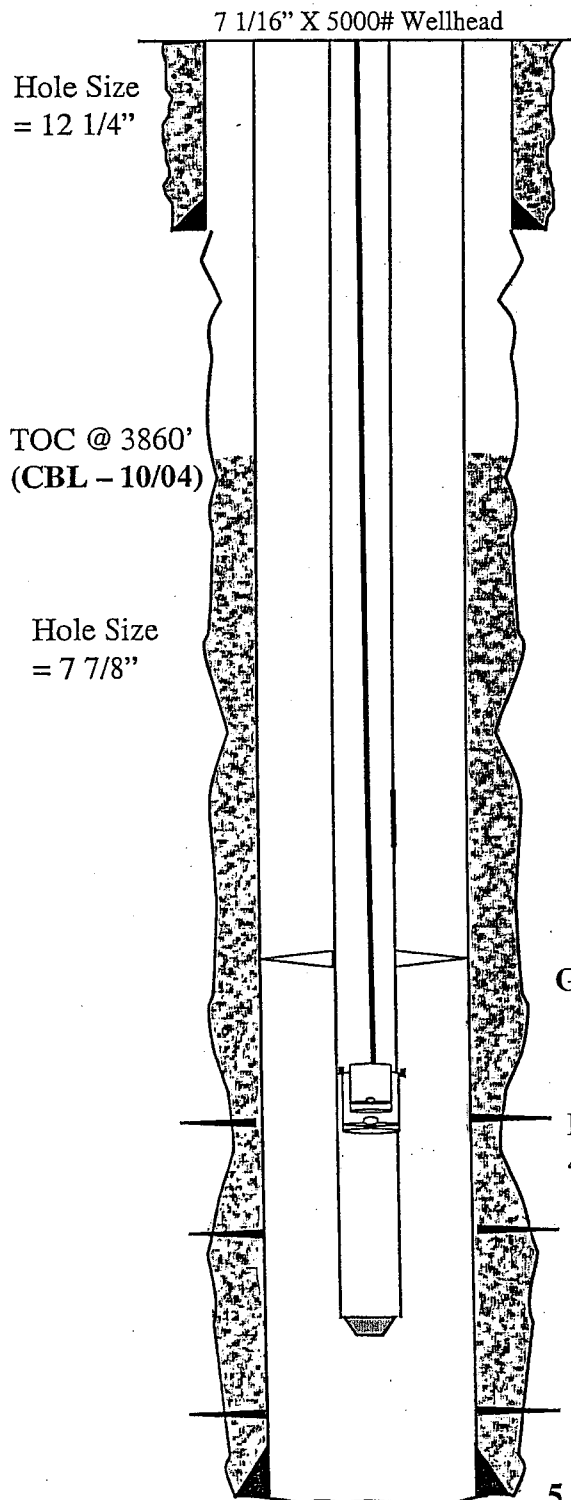
RKB = 5243'

KB = 15'



Surface Location

3541' FSL & 2085' FWL
SE/NW Section 1- T7S- R23E
Uintah County, UT



8 5/8" 24# J-55 Csg @ 416' cmt'd W/225 sx 8-04

Tbg 10-04: 158 jts 2-7/8" 6.5-lb J-55 8rd
TAC landed at 5133' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
SN landed at 5168' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
Mother Hubbard, intake at 5203' KB
3 jts 2-7/8" 6.5-lb J-55 8rd
30' OPMA, bottom at 5347' KB

Rods 10-04: 1-1/2" x 30' polished rod
2', 6', 6', 8' x 1" D ponies
58 - 1" D
67 - 7/8" D
70 - 3/4" D
10 - 1" D
2-1/2" x 1-3/4" x 16' x 20' RHAC with grooved plunger

Green River

Du8c: 5421' - 60', 5262' - 74',
4 spf, frac 10-04

Du8d: 5310' - 26',
4 spf, frac, 10-04

DL1a: 5342' - 53' & 5360' - 65',
4 spf, acid, 10-04

5 1/2" 15.5# J-55 Csg @ 5374' cmt'd W/450 sx 9-04

TD = 5364' (per drilling report, deeper per completion report)

017

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 066312
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269		7. UNIT or CA AGREEMENT NAME: UTU66837A Walker Hollow
4. LOCATION OF WELL FOOTAGES AT SURFACE: 3541' FSL & 2085' FWL		8. WELL NAME and NUMBER: Walker Hollow Unit 86
CTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 1 7S 23E		9. API NUMBER: 4304735607
PHONE NUMBER: (281) 517-7194		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Add perms and stimulate
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU and TOH with rods, pump and tubing. TIH - tagged fill @5362'; PBTD - 5373'. TIH with bit and scraper to 4910' and RBP @4820' and circ'd clean with 2% KCl. Perf'd 4708' - 4718' and 4750' - 4758' using 4" casing gun, 4 spf and 90 degree phasing. Set pkr @4648' and tested casing to 1000 psi. MIRU and pumped 1500 gals 7.5% HCl with 100 1.3 balls pumped evenly throughout job. Rec'd 11 bbls and swabbed to 1900' - encountered wax and circulated hole with 2% KCl. Ran wax knife to 4500' and pumped 15 bbls KCl pad, 143 bbls slick water pad and frac'd with 47M# 16-30 sand stepped up from 1# - 4# per gallon stages throughout job in 12,640 gals 25 ppg gel. Well back on production 4/13/2005.

RECEIVED

APR 25 2005

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Debra Harris</u>	TITLE <u>Production/Regulatory Coordinator</u>
SIGNATURE <u>Debra Harris</u>	DATE <u>4/21/2005</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 066312
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269		7. UNIT or CA AGREEMENT NAME: UTU66837A Walker Hollow
4. LOCATION OF WELL FOOTAGES AT SURFACE: 3541' FSL & 2085' FWL		8. WELL NAME and NUMBER: Walker Hollow Unit 86
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 1 7S 23E		9. API NUMBER: 4304735607
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: Retrieve RBP and return to production

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Citation Oil & Gas Corp. requests approval to retrieve RBP and commingle unitized Green River perforations per the attached procedure.

COPY SENT TO OPERATOR
Date: 12-19-05
Initials: CHD

NAME (PLEASE PRINT) Debra Harris TITLE Production/Regulatory Coordinator
SIGNATURE *Debra Harris* DATE 12/6/2005

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 12/13/05
By: *[Signature]*
(See Instructions on Reverse Side)

Federal Approval Of This
Action Is Necessary

RECEIVED

DEC 09 2005

DIV. OF OIL, GAS & MINING

Walker Hollow Unit #86

December 6, 2005

Work Over Procedure:

Comments: 1. Will have to hot oil/water to get tools down. (Known paraffin issue)

Objective: Retrieve RBP and commingle production 5b, 5c, 8c, 8d and D1a1

1. MIRUSU. Unseat pump and TOO H w/ rods and pump.
2. ND Tree. NU 3M BOP's. Release TAC at 4585'. RIH Release RBP and TOO H w/ 2-7/8" tubing and RBP, standing back.
3. RIH bailer to 5364'.
4. TIH with tubing and set TAC at 5200'.
5. ND BOP's. NU tree.
6. TIH w/ rods and pump and hang well on. RDMOPU.
7. Return well to production and place on test.

List of Citation Contacts

Foreman	Robert Eye	Cell: 435.790.4406 Home: 435.781.4147
Lease Operator	Shane White	Cell: 435.621.1441 Home: 435.781.0561
Engineer	Chad Stallard	Cell: 713.249.4671 Office: 281-517-7527

RECEIVED

DEC 09 2005

DIV. OF OIL, GAS & MINING

Citation Oil & Gas Corporation - Walker Hollow Unit #86

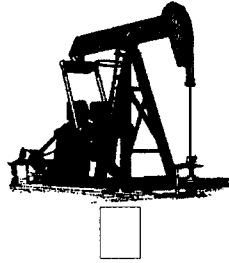
Wellbore Diagram - Present Status

Date: 12-02-05 CSS

Ground Elevation = 5228'

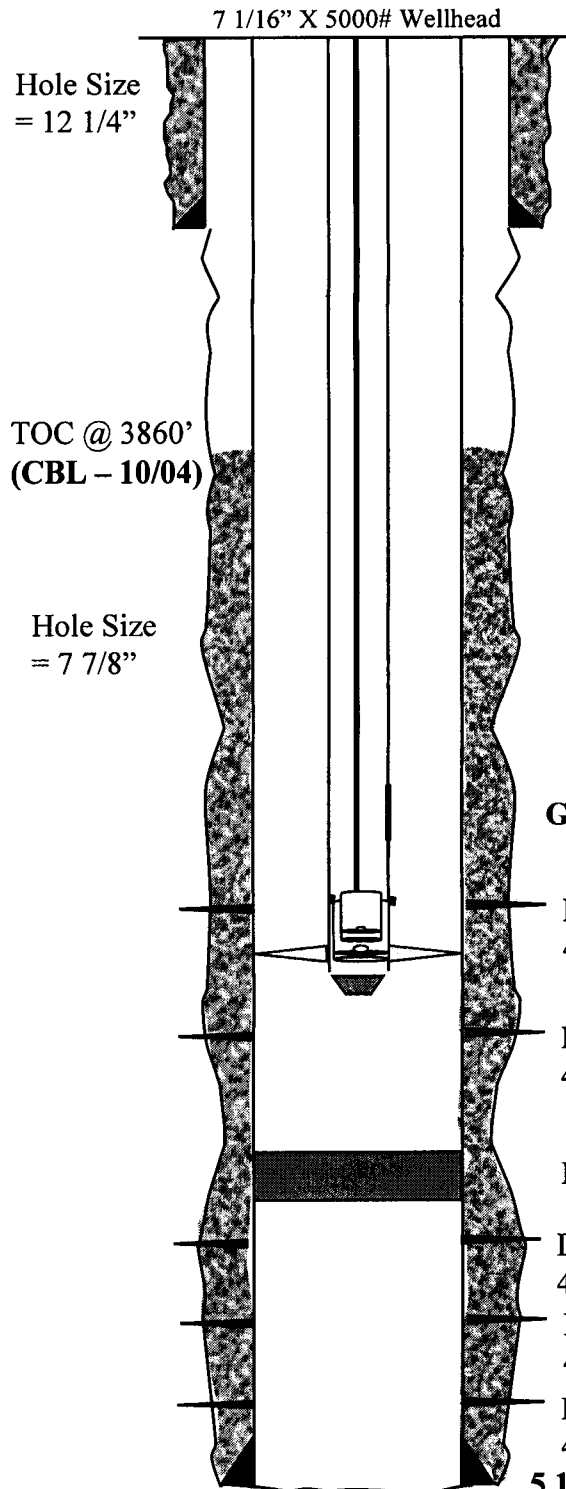
RKB = 5243'

KB = 15'



Surface Location

3541' FSL & 2085' FWL
SE/NW Section 1- T7S- R23E
Uintah County, UT



8 5/8" 24# J-55 Csg @ 416' cmt'd W/225 sx 8-04

Tbg 10-04: 141 jts 2-7/8" 6.5-lb J-55 8rd
TAC landed at 4585' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
SN landed at 4619' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
Mother Hubbard, intake at 4654' KB
1 jts 2-7/8" 6.5-lb J-55 8rd
30' OPMA, bottom at 4733' KB

Rods 10-04: 1-1/2" x 30' polished rod
2', 6', 6', 8' x 1" D ponies
55 - 1" D
65 - 7/8" D
52 - 3/4" D
10 - 1" D
2-1/2" x 1-3/4" x 16' x 20' RHAC with grooved plunger

Green River

Du5b: 4708' - 4718',
4 spf, frac 03/05

Du5c: 4750' - 4758',
4 spf, frac 03/05

RBP @ 4820'

Du8c: 5241' - 60', 5262' - 74',
4 spf, frac 10-04

Du8d: 5310' - 26',
4 spf, frac, 10-04

DL1a: 5342' - 53' & 5360' - 65',
4 spf, acid, 10-04

5 1/2" 15.5# J-55 Csg @ 5374' cmt'd W/450 sx 9-04

TD = 5364' (per drilling report, deeper per completion report)

Citation Oil & Gas Corporation - Walker Hollow Unit #86

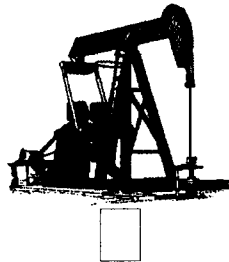
Wellbore Diagram - Proposed Status

Date: 12-02-05 CSS

Ground Elevation = 5228'

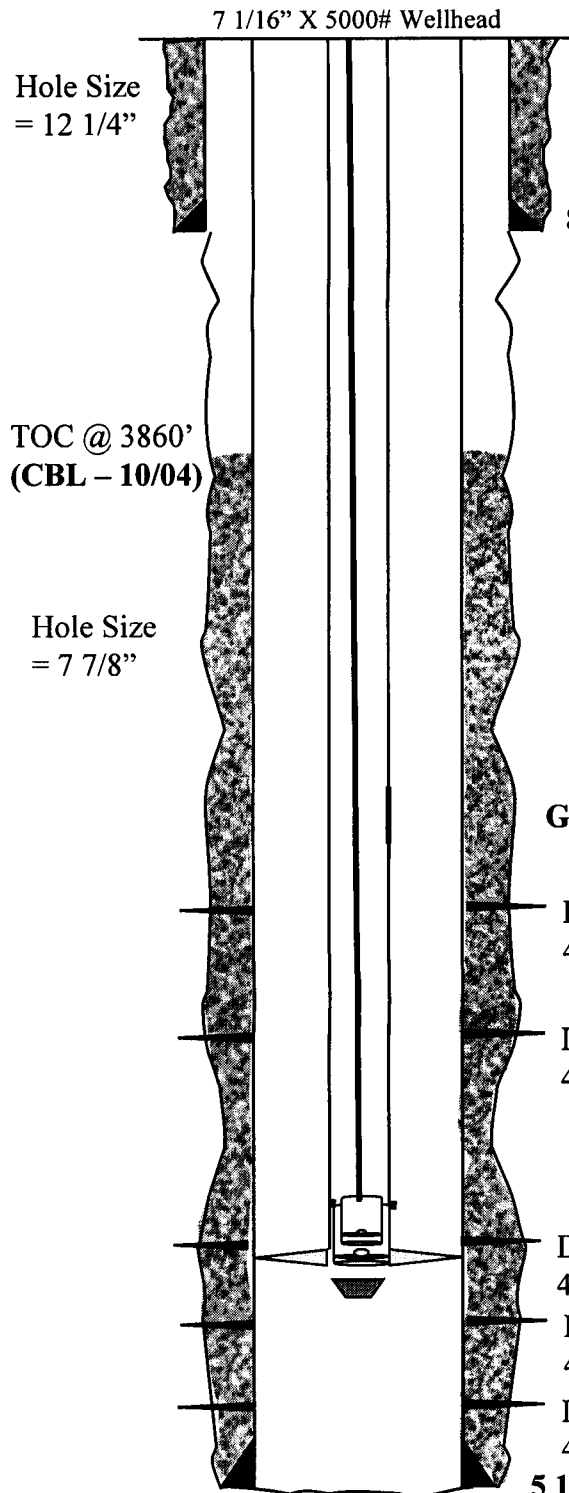
RKB = 5243'

KB = 15'



Surface Location

3541' FSL & 2085' FWL
SE/NW Section 1- T7S- R23E
Uintah County, UT



8 5/8" 24# J-55 Csg @ 416' cmt'd W/225 sx 8-04

Tbg 10-04: 141 jts 2-7/8" 6.5-lb J-55 8rd
TAC landed at 4585' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
SN landed at 4619' KB
1 jt 2-7/8" 6.5-lb J-55 8rd
Mother Hubbard, intake at 4654' KB
1 jts 2-7/8" 6.5-lb J-55 8rd
30' OPMA, bottom at 4733' KB

Rods 10-04: 1-1/2" x 30' polished rod
2', 6', 6', 8' x 1" D ponies
55 - 1" D
65 - 7/8" D
52 - 3/4" D
10 - 1" D
2-1/2" x 1-3/4" x 16' x 20' RHAC with grooved plunger

Green River

Du5b: 4708' - 4718',
4 spf, frac 03/05

Du5c: 4750' - 4758',
4 spf, frac 03/05

Du8c: 5241' - 60', 5262' - 74',
4 spf, frac 10-04

Du8d: 5310' - 26',
4 spf, frac, 10-04

DL1a: 5342' - 53' & 5360' - 65',
4 spf, acid, 10-04

5 1/2" 15.5# J-55 Csg @ 5374' cmt'd W/450 sx 9-04

TD = 5364' (per drilling report, deeper per completion report)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT WELL COMPLETION OR RECOMPLETION REPORT AND LOG						FORM APPROVED OMB NO. 1004-0137 Expires: March 31, 2007			
1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other <input type="checkbox"/> b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Resvr. Other _____						5. LEASE DESIGNATION AND SERIAL NO. UTSL066312			
						6. INDIAN ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT UTU66837A Walker Hollow Unit			
2. Name of Operator Citation Oil & Gas Corp.						8. FARM OR LEASE NAME Walker Hollow Unit 86			
3. Address P.O. Box 690688, Houston, TX 77269-0688			3a. Phone No. (include area code) (281) 517-7194			9. API WELL NO. 43-047-35607			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 3541' FSL & 2085' FWL; SE NW At top prod. Interval reported below At total depth						10. FIELD NAME Walker Hollow (Green River)			
						11. SEC. T, R, M., OR BLOCK AND SURVEY OR AREA S-01 T015 R23 E			
						12. COUNTY OR PARISH Uintah		13. STATE Utah	
						17. ELEVATIONS (DF, RKB, RT, GR, etc.)* 5228' GR; 5243' RKB			
14. Date Spudded 9/3/2004		15. Date T.D. Reached Added perfs 4/13/2005		16. Date Completed D & A Ready to Prod.					
18. Total Depth: MD 5374' TVD 5374'		19. Plug back T.D.: MD 4820' TVD 4820'		20. Depth Bridge Plug Set: MD 4820' RBP TVD 4820' RBP					
21. Type Electric & other Logs Run (Submit a copy of each) Previously submitted by logging company						22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)			
23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/ Grade	Wt. (#/ft.)	Top (MD)	Bottom(MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (Bbl)	Cement Top*	Amount Pulled
12-1/4"	8-5/8" J55	24#	0	401		225 sx "A"	48	0	N/A
7-7/8"	5-1/2" J55	15.5#	0	5366		450 sx Lite/G	330	3860'	N/A
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2-7/8"	4733'								
25. Producing Intervals					26. Perforation Record				
Formation		Top	Bottom	Perforated Interval		Size	No. of Holes	Perf. Status	
A) Green River		4708'	5365'	5241' - 5365'		4	64	Isolated by RBP @4820'	
B)				4708' - 4758'		4	72	Producing	
C)									
D)									
27. Acid, Fracture Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and Type of Material							
4820'		Set RBP to isolate lower Green River perfs							
4708' - 4758'		Acidized with 1500 gals 7.5% HCl with 100 BS							
RECEIVED DEC 09 2005 DIV. OF OIL, GAS & MINING									
28. Production- Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr. API	Gas Gravity	Production Method
4/15/2005	4/18/2005	24	→	33	243	97	26	N/A	Pumping
Choke Size	Tbg. Press Flwg.	Csg. Press.	24 Hr. Rate	Oil Bbl	Gas MCF	Water Bbl	Gas: Oil Ratio	Well Status	
N/A	230	530	→	33	243	97	7364		Producing
28a. Production- Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg.	Csg. Press.	24 Hr. Rate	Oil Bbl	Gas MCF	Water Bbl	Gas: Oil Ratio	Well Status	
	SI		→						

* See instructions and spaces for additional data on page 2)

28b. Production- Interval C									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil Bbl	Gas MCF	Water Bbl	Gas: Oil Ratio	Well Status	
28c. Production- Interval D									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil Bbl	Gas MCF	Water Bbl	Gas: Oil Ratio	Well Status	
29. Disposition of Gas (Sold, used for fuel, vented, etc.)									
30. Summary of Porous Zones (include Aquifers): Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.						31. Formation (Log) Markers:			
Formation	Top	Bottom	Descriptions Contents, Etc.			Name	<div style="text-align: center;">Top</div> <div style="text-align: center;">Measured Depth</div>		
Green River	4708'	5365'	Oil/Gas/Water			Green River	4708'		
32. Additional remarks (include plugging procedure): March, 2005: Set RBP @4820' to isolate Green River perforation 5241' - 5365' and opened additional Green River perfs 4708' - 4758'. Acidized new perfs and left RBP in well. Well returned to production 4/13/2005.									
33. Indicate which items have been attached by placing a check in the appropriate boxes:									
<input type="checkbox"/> Electrical/ Mechanical Logs (1 full set required)			<input type="checkbox"/> Geologic Report			<input type="checkbox"/> DST Report		<input type="checkbox"/> Directional Survey	
<input type="checkbox"/> Sundry Notice for plugging and cement verification			<input type="checkbox"/> Core Analysis			<input type="checkbox"/> Other:			

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Debra Harris

Title Production/Regulatory Coordinator

Signature

Debra Harris

Date 6-Dec-05

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.